

# Canada's coronavirus wage-subsidy tailored to propping up business, not protecting workers' incomes

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Canada's parliament held a special one-day session Saturday to rush through legislation authorizing the Trudeau Liberal government's 75 percent wage-subsidy program for businesses impacted by the coronavirus crisis.

As with the other financial and economic measures the Liberals have taken in response to the pandemic, the subsidy package was supported by all parties in parliament, from the Conservative Official Opposition to the Greens and New Democrats.

The \$73 billion Canada Emergency Wage Subsidy program will pay 75 percent of an employee's normal wage, up to \$847 per week, for companies that suffered or will suffer a 15 percent decline in revenue decline in March and a 30 percent decline in subsequent months.

The program is backdated to March 15 and is slated to last a total of three months. However, it will not begin to make payments to employers for another four to six weeks. Consequently, workers will not receive any money until mid or even late May.

The wage subsidy is being universally touted by the political establishment and corporate media as necessary to save jobs and help struggling small businesses cope. The reality is that business groups lobbied strongly for it, and the program has been expressly tailored to meet the needs of the largest and most profitable corporations, which are anxious to keep their workforces largely or wholly intact. Large companies, including Canadian subsidiaries of global players like the automakers Ford, GM, and Fiat-Chrysler, will be able to avail themselves of the program, using state funds to meet their payrolls.

Moreover, while providing no more than stopgap relief for workers, the Liberals' wage-subsidy program provides the government with much needed political camouflage. It serves to obscure that the principal aim of the government's package of COVID-19-triggered emergency economic measures has been to bail out the banks and financial markets, so as to safeguard the wealth and investments of Canada's capitalist elite.

Nothing in the wage-subsidy legislation prevents companies from using the government aid to impose huge wage cuts, since there is no requirement for the remaining 25 percent of pay to be topped up. Nor is there any mechanism to stop companies laying off their workers when the wage subsidies end.

Prime Minister Justin Trudeau, in his House of Commons address introducing the legislation, sought to cast himself as a

military commander-in-chief leading a united nation into battle. While conceding the fight against the coronavirus is not a "war," Trudeau cynically invoked the Canadians fighting on the "front lines" in homes, hospitals, and the community. He compared their resolve to that of the thousands of Canadians who fought and died 103 years ago this month in the First World War Battle of Vimy Ridge—which was subsequently hailed as a great Canadian victory as part of the Canadian ruling elite's drive to impose conscription in the face of mass opposition.

"As Canada confronts this crisis," intoned Trudeau, "we are all called to serve, to fight for and alongside each of our fellow citizens .... Our job as Canadians is to uphold the dignity and sanctity of every single human life, whether they be rich or poor, young or old, ailing or healthy. That is our duty—without reservation."

Leaving aside the nauseating combination of nationalist and militarist demagoguery, which until only a few years ago was reserved to the likes of former Conservative Prime Minister Stephen Harper, Trudeau's pompous invocation of national unity is a lie. Every step taken by his government, with the support of the opposition parties, has served to protect the interests of the banks, super-rich, and major corporations, while placing the working class and the overstretched health care system on rations.

To date, the government, the Bank of Canada and other state institutions have funneled some \$650 billion into the hands of the banks and big business, through a myriad of measures. These include a \$200 billion Bank of Canada program to purchase risky state and corporate debt, a Canada Mortgage and Housing Corporation scheme to buy \$150 billion in bank mortgages, a halving of the big banks' capital requirement, which immediately swelled their balance sheets by \$150 billion, and billions of dollars' worth of tax deferrals.

While no resources are being spared for the banks and big business, close to 6 million workers have been forced to apply for miserly government assistance, whether in the form of Employment insurance or the new Canada Emergency Response Benefit (CERB). CERB recipients are to receive a piddling \$2,000 per month for a maximum of four months, a sum that does not even cover the average cost of a single-room apartment in many major urban centres. Moreover, due to a series of loopholes and bureaucratic requirements, conservative estimates suggest that

hundreds of thousands of workers are not yet entitled to any government assistance.

These meagre rations were implemented in close consultation with the trade unions, which like the NDP have seized on the coronavirus crisis to shift further to the right and deepen their already close collaboration with the Trudeau government. Canadian Labour Congress President Hassan Yussuff, who appealed for a “collaborative front” with the employers, held a series of closed-door, corporatist deliberations with the Trudeau government and the Canadian Chamber of Commerce in the first two weeks of March to help formulate Ottawa’s response.

Virtually nothing has been done for the dilapidated health care system. The Trudeau government has announced just \$3 billion in additional health spending, two thirds of which will be funnelled through for-profit companies that have promised to make face masks, ventilators, and other medical supplies, but have offered no time scale for this urgently required equipment. Meanwhile, health care workers in hospitals, clinics and long-term care facilities are being forced to work with no or inadequate personal protective equipment (PPE), putting their lives, those of their families and patients at risk, and governments across Canada are continuing to ration COVID-19 tests, often denying them even to frontline medical workers.

To talk under these conditions of upholding the “dignity and sanctity” of all life, “rich or poor,” is a criminal fraud. If Trudeau’s wish to serve as the nation’s commander-in-chief were to be granted for a moment, he and his ministers would have to be court martialled for treason.

The ruling elite’s attitude to the health of the population was summed up Sunday by Minister of Employment, Workforce Development, and Disability Inclusion Carla Qualtrough. Referring to her previous role as Minister for Public Service Procurement between 2017 and November 2019, she told Global News that while her department was “very focused...on defence procurement, on getting the coastguard the ships they need, on getting the navy”—i.e. on building up Canadian imperialism’s war machine—replenishing Canada’s stockpiles of PPE “was not a top priority.”

Even as Trudeau offered his sermon of consolation to the nation, big business and sections of the political establishment continued their campaign for a precipitous “reopening” of the economy under conditions of a raging, out of control pandemic. Two days before Trudeau addressed parliament, the Ontario government set up a committee for economic reconstruction tasked with preparing a plan for the lifting of restrictions on “non-essential” businesses. Meanwhile, Quebec Premier Francois Legault, egged on by province’s main employer organization (the *Conseil du Patronat*), argued in his Thursday and Friday coronavirus updates that there would be little risk to public health if work resumed forthwith in construction and other industries.

The great political lie that the ruling elite’s response to the coronavirus crisis is being carried out to protect “all Canadians” is facilitated by the so-called opposition parties in parliament. In Saturday’s debate, Andrew Scheer for the Conservatives, Yves-Francois Blanchet for the Bloc Quebecois, Jagmeet Singh for the New Democrats, and Elizabeth May for the Greens all praised the

wage subsidy bill and the government’s response to the COVID-19 pandemic more generally. May and Singh, in particular, emphasized their happiness with their parties’ close cooperation with the Trudeau government.

Where criticisms were made, they were hollow given the joint participation of all the parties in the decades-long assault on universal public health care and on workers’ jobs and living standards. Scheer criticized the Liberals’ slow response to the pandemic, pointing out that up until early March, the government was still claiming that the threat posed by COVID-19 was low. Conservative Senate leader Don Plett attacked the government for being “asleep at the wheel” for its refusal to implement stricter travel controls on incoming passengers from China.

The Canadian government’s failure to respond in a timely manner to the coronavirus, which resulted in two vital months being squandered, is clear for all to see. But its principal failings lay, and continue to lie, in its refusal to mobilize society’s resources, beginning with the vast holdings of the corporate elite, to bolster the health care system, and to supply medical workers with the necessary equipment and protective gear to allow them to provide care, while keeping themselves, their patients, and family members free from infection. More fundamentally, these failures are bound up with all of the parliamentary parties’ prioritization of private profit over human lives.

This criminally irresponsible policy can only be reversed by the independent intervention of the working class. Workers must take up the fight for full wages for all those laid-off or unable to work because of the pandemic, including gig economy and contract workers. Essential workers must be provided all the PPE and other equipment they require to work in a safe environment, and billions must be poured into strengthening the health care system. There must be no return to work until the pandemic is controlled and the equipment, staff, and systems are in place to ensure systematic universal testing, contract-tracking, and timely care for all who need it.

These immediate demands are incompatible with the current social order, which is based on securing corporate profits at the expense of human life. The struggle for their implementation must therefore be linked to the fight for a workers’ government committed to socialist policies.



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