

Canada's Liberal government slashes COVID-19 emergency aid

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Canada's Justin Trudeau-led Liberal government is dramatically scaling back the financial assistance provided the millions of workers who have lost their jobs due to the COVID-19 pandemic. On Thursday, Chrystia Freeland, the newly-appointed finance minister, announced that the Canada Emergency Response Benefit (CERB) will be terminated at the end of September, and that the financial aid for the vast majority of the more than 4.5 million jobless workers now dependent on the CERB for their livelihood will be slashed by 20 percent.

This attack on working people and their families is central to the ruling elite's homicidal back-to-work and back-to-school drive, which is aimed at forcing workers to return to unsafe workplaces so as to generate profits for big business and investors.

The majority of those now receiving the CERB, which pays a miserly \$500 a week, will be transitioned to Employment Insurance (EI). This change will result in most cases in a 20 percent cut in their weekly assistance, from the lordly sum of \$500 to just \$400.

In steps that only highlight how impoverished the EI program has become after decades of Liberal and Conservative cuts, the government has temporarily eased the number of hours of work needed to obtain benefits and raised the minimum weekly payout.

However, overall, eligibility requirements remain much more stringent than for the CERB. EI claimants can be required at any time to prove they are actively seeking employment. Failure to do so can result in sanctions, including the loss of all benefits.

Under EI rules, even if they cannot find work, many of those now unemployed will be threatened after just 26 weeks with the loss of all EI benefits and destitution.

All of this will, and is meant, to push the jobless into competing for low-paid, precarious employment opportunities.

That the government is determined to dramatically curtail assistance to those without work or unable to work due to the pandemic is underscored by the modest sums the government has budgeted for its post-CERB worker-support programs. A mere \$15.3 billion is being injected into EI, while \$22 billion has been set aside for three new makeshift benefits, all of which will last for just one year. The Canada Recovery Benefit (CRB) will provide \$400 per week for a maximum of 26 weeks for jobless workers ineligible for EI, principally the self-employed and contract "gig workers." The same requirements for accessing EI, including the need to actively seek employment, will apply to the CRB.

The Canada Recovery Sickness Benefit and Canada Recovery

Caregivers Benefit are cheapened replacements for other elements of the CERB program. The Sickness Benefit will provide \$500 per week for two weeks to workers who become sick or must self-isolate, but only if their employer does not provide paid sick leave.

The Caregivers Benefit will provide financial support to parents or family members who have to stay home to look after a child or other relative during the pandemic. However, the government has made clear that this benefit will be paid only in the event of COVID-19 closures. Parents who wish to keep their children at home for fear of infection in overcrowded and under-resourced schools will not be eligible for the benefit. Additionally, only one adult member of a household can claim the \$400 weekly payment at any one time.

The presentation of the Liberal government's new package of post-CERB measures was preceded by weeks of internal squabbling that culminated in last Monday's "resignation"—in reality, forced departure—of Finance Minister Bill Morneau, a former corporate CEO who enjoys close ties to Bay Street.

In the weeks prior to Morneau's announcement that he was stepping down to seek the post of OECD secretary-general, the corporate media was full of reports of disagreements between Morneau's office and Trudeau's staff on various aspects of government policy. These included the decision to raise the wage subsidy paid to employers to help cover workers' wages from the original level of 10 percent to 75 percent, and over whether the CERB was "too generous" and a "disincentive to work." These factional conflicts point to the deepening crisis of the minority Trudeau government, which is under mounting pressure from big business to accelerate the onslaught on the working class so as to make it pay for the Trudeau government and Bank of Canada's \$650 billion bailout of the banks and financial markets.

Under these conditions, and with Morneau increasingly discredited by the ongoing WE Charity scandal, Trudeau concluded that a new face with the political clout to impose deeply unpopular measures was necessary. For a week prior to Morneau's resignation, staff in the Prime Minister's Office leaked a steady stream of embarrassing details about the finance minister's disagreements with Trudeau to the *Globe and Mail* and other publications.

Trudeau also announced Wednesday he was proroguing parliament until September 23. This anti-democratic manoeuvre is aimed at suppressing further embarrassing revelations about the Liberals' incestuous, corrupt ties with WE, and enabling the

government to seize back the political initiative.

When parliament reconvenes, the government will present a Throne Speech, outlining its plans for the next stage in the “recovery.” Both the Throne Speech and the new shrunken financial support for working people impacted by the pandemic will need to secure parliament’s approval, which means one of the three major opposition parties will have to vote with the government.

The Liberals and media have made much of the fact that Freeland is Canada’s first female finance minister. The real reason for her appointment is that she is a notorious right-winger and war-hawk, touted by the corporate media as a “safe pair of hands,” whom Trudeau calculates can mollify his big business critics and oversee the acceleration of the back-to-work drive.

In her previous roles, Freeland has spearheaded the government’s rearmament program, its courting of Trump in the NAFTA renegotiation, and since last fall’s election its “outreach” to the hard-right provincial governments of Alberta, Saskatchewan, and Ontario. Predictably, one-time Trump enthusiast Ontario Premier Doug Ford was one of the first to applaud Freeland on her appointment as finance minister, hailing her as “amazing” and “incredible.” Ford, whose government has imposed savage social spending cuts and real wage cuts on one million public sector workers, added, “I’ll have her back. I’ll help her any way we can.”

In her remarks announcing the winding down of the CERB, Freeland made clear that the Liberal government is curtailing and phasing out even the limited measures it took to mitigate the pandemic’s impact on working people, and is now focused on ensuring “economic recovery,” i.e., boosting corporate profitability. “As we shift from our initial emergency response to a safe and prudent restart, as we shift to living with COVID-19,” declared Freeland, “our approach also needs to evolve.” Underlining that the government plans to unveil a broad range of pro-business measures when parliament reconvenes, Freeland added that the ending of CERB marks only the first step in the Liberals’ recovery plan.

There is nothing “safe” or “prudent” about the policies being pursued by the Canadian ruling elite. The Liberal government has spearheaded the reckless back-to-work drive, which has been implemented most aggressively by hard-right provincial governments in Quebec, Ontario, and Alberta. Workplace safety regulations have been systematically ignored or abused, and the vast majority of complaints filed by workers over unsafe conditions have been curtly dismissed by provincial and federal labour boards.

Freeland’s insistence that workers learn to “live with COVID-19” is in line with the demands of the Trump administration and the Democrats in the United States, who have allowed the virus to run rampant. As deaths in the US rapidly approach the 200,000 mark, a bipartisan drive is well-advanced to reopen schools across the country, subjecting teachers, parents, and students to life-threatening conditions. This criminal campaign is being justified by the need to get back to “normal” conditions, and to learn to “live with COVID-19.”

A central role in enforcing the ruling elite’s reactionary back-to-

work agenda is being played by the trade unions and New Democratic Party. Since the outbreak of the pandemic, the unions have shut down all expressions of working class opposition, including teacher strikes in Ontario and protests by health workers and others over a lack of personal protective equipment.

At the same time, the unions have deepened their long-standing partnership with the Liberal government and big business, as shown by their participation in a series of closed-door meetings with business lobby groups and government officials to plot the “economic recovery.” A joint statement released after one such consultation in April pledged the participants would work to create conditions so that “Canadian businesses can come roaring back” after the crisis.

For its part, the NDP has provided critical parliamentary support to the Liberal government. In May, it backed the Trudeau government’s move to suspend regular parliamentary sittings until September.

With the “Quebec First” Bloc Quebecois announcing that it will vote against the Throne Speech, the NDP has rushed to signal that it can be “persuaded” to once again come to the Liberals’ rescue.

Even so, such is the state of crisis facing Canadian capitalism, it cannot be excluded that the parliamentary support for the Trudeau government could suddenly evaporate. While some sections of big business continue to believe that the Liberal government, due to its phony “progressive” image and partnership with the unions, remains the best vehicle for imposing their class war agenda, others are dissatisfied with what they consider to be impermissible delays in slashing financial support to workers and using the crisis to step up capitalist exploitation.

The latter faction doubts whether the Trudeau government, weakened by a series of scandals and increasingly discredited in the eyes of the population, is capable of implementing the attacks on the working class they see as essential in the coming months. As Dan Kelly, president of the Canadian Federation of Independent Business, said with regard to the Liberal government’s proposal to transfer most CERB claimants to EI, “This is just too low a bar for many part-time workers to return to their pre-COVID employment.”

With the official opposition Conservatives selecting their new leader this past weekend, powerful forces within the corporate elite could quickly coalesce behind the drive to bring an even more reactionary government to power to implement sweeping austerity measures.



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