March 26, 2020

Honourable Filomena Tassi  
Minister of Labour  
Government of Canada  
filomena.tassi@parl.gc.ca  

Honourable Jason Copping  
Minister of Labour and Immigration  
Government of Alberta  
labour.minister@gov.ab.ca  

RE: JOB AND INCOME SUPPORT FOR CANADIANS DURING COVID-19

Dear Ministers:

On behalf of the Alberta Federation of Labour, the largest advocacy organization for working people in Alberta, I write to urge your governments to take further steps to support Canadian workers.

We applaud the recent federal announcement of The Canada Emergency Response Benefit. Changes made to streamline and simplify income supports for Canadians in need during the COVID-19 pandemic demonstrate that the Federal Government is listening to feedback and responding to the real needs of working Canadians and businesses.

However, even with this improved program and application system, more needs to be done to help and protect hard-working Canadians. Specifically, we need to recognize that $2000 a month is simply not enough to cover the bills of most Canadian households.

Two further options for getting more money into the pockets of Canadians, should be considered.

First, we urge you to consider copying Denmark. Their program has the state providing wage-subsidies that cover 75% of employees’ salaries and the employer is contributing the remaining 25%. There are several advantages to this kind of wage subsidy program for working Canadians and businesses.

First, this kind of program keeps workers connected with employers. There is no need for the relationship between workers and employers to be severed (whether temporarily or not), in order for workers to qualify for income support, as is the case with the standard benefits under the Employment Insurance program.
Second, a wage subsidy program would keep many workers out of The Canada Emergency Response Benefit and Employment Insurance applications, freeing up time and resources for Canadians who need this support.

Third, a subsidy program is able to leverage the payroll systems that employers already have set up which reduces bureaucracy for workers to navigate, eliminates any language or technological barriers workers may face, and would ideally delivery money to Canadians faster.

We understand the Federal Government is currently offering a wage subsidy to cover 10% of employer wages, this should increase to 75% similar to the programs implemented by Denmark and other countries.

The second policy we urge you to consider, in addition to what has already been announced, is a simple no-strings-attached cheque for $2000 to every Canadian, every month for at least three months. This approach has the benefit of being fast and easy (because it requires no application process). There is no better way to get money into the pockets of Canadians quickly.

Interestingly, this approach has support from all sides of the political spectrum. It has been supported by Ken Boessenkool, policy adviser to former Prime Minister Stephen Harper and current federal NDP leader Jagmeet Singh. It is also similar to one of the suggestions the AFL made in our proposed “Alberta Rescue Plan,” which we sent to you last week.

As we said in #4 of our rescue plan document: “Don’t worry about sending money to people who don’t need it. Speed is the priority. We can tax it back from those who don’t need it at tax time next year.”

Many Canadians are already struggling to pay their bills and worried about the future. The 1st of the month is quickly approaching meaning many will soon need to pay rent. The country needs fast, bold action to immediately help hard-working Canadian families who are struggling to make ends meet in the midst of this COVID-19 pandemic.

Providing a more substantial Demark-style wage subsidy and/or no-strings-attached cheques for all Canadians are the next steps that should be considered – and, together with what has already been announced, they are the kind of bold leadership we need during this time of crisis.

Sincerely,

Gil McGowan
President
Alberta Federation of Labour