

## THE PRESIDENT WHO MADE AMERICA “BREAK”

*Einstein’s definition of insanity is: ‘doing the same thing over and over again and expecting different results’. In the case of Trump, it is deploying the same legal challenges over and over again while expecting a different judgement. And all this while the pandemic surges into a national emergency across the USA demanding presidential leadership but finding none.*

What has been feared has come to pass. The pandemic in the USA is out of control. Thanks in large part to a president who has consistently downplayed the virus together with the measures needed to slow it down. History will never forgive Trump for this catastrophe in which he played such a dominant part. History will remember him as a reckless and vain man, therefore someone who was dangerous to all those around him, politically radioactive, in Trump the USA has finally found its weapon of mass destruction.

Each week new records are being set, whether it is daily recorded infections, hospitalizations or deaths. Currently daily infections are racing towards 300,000 having consistently risen above 200,000. Hospitalizations are rising less quickly. However, this is not because the virus has become more benign, rather something worse is afoot. *“It is clearest in a single simple statistic, recently observed by Ashish Jha, the dean of the Brown University School of Public Health. For weeks, the number of people hospitalized with COVID-19 had been about 3.5 percent of the number of cases reported a week earlier. But, he noticed, that relationship has broken down. A smaller and smaller proportion of cases is appearing in hospitalization totals.”* The reason: *“because Hospitals are becoming overwhelmed, causing them to restrict whom they admit and leading more Americans to die needlessly”*. [The U.S. Has Passed the Hospital Breaking Point - The Atlantic](#)

Patients need to be sicker while less sick patients are being sent home with oxygen support. The result is that already in November, the mortality rate had risen from 1.7% to 1.8%. And that was before the daily infection rate soared beyond 200,000 per day. If we are to assume that the rate will jump to at least 300,000 per day following Thanksgiving and Xmas, driving the mortality figure to above 2% due to hospital collapse and minimal care, then a weekly death rate of 40,000 is conceivable before the vaccine has any effect.

Currently the projected figures are between twenty thousand and thirty thousand a week by the end of December. But all projections have missed on the upside. The CDC, just three weeks ago, predicted total deaths of between 260,000 and 282,000 by the 5<sup>th</sup> of December. The outcome is close to 289,000. If we take the likely outcome of 20,000 deaths next week, followed by 25,000, then 30,000 and finally 35,000 in the last week of December than the total death toll will approach 400,000 by midnight on the 31<sup>st</sup> December. This, Mr President, is equal to the total US casualties during WW1 and WW2 and Vietnam.

In case the reader thinks these figures are far-fetched, here are the projections from the Institute for Health Metrics and Evaluation at the University of Washington’s School of Medicine. Released on the 4<sup>th</sup> December they predicted daily deaths peaking at 3,000 in mid-January. An underestimate. Unfortunately, we are days away from this figure being realised. What is interesting about this study is its total projection, its estimation of how long it will take for the vaccine to kick in, how many lives could be saved in the interim by wearing face masks (60,000 vs 14,000 from the vaccine by April) and finally that an extra 230,000 lives will be lost if strict mandates are not imposed. [briefing US 2020.12.04 .pdf \(healthdata.org\)](#)

## **What the Left needs to take on board.**

A virus cannot be evaluated in isolation. Viruses are the primogenitor of life. Without viruses, life as we know it would not exist. They are the great cross-pollinator of genes. They establish diversity, protect diversity and ensure the resulting health of these diverse species both by providing the conditions allowing species to flourish and culling any members of the species which do not flourish.

This novel virus, the corona virus, has not only invaded hosts but created hosts of myths. It appears to be one of the more selective parasites targeting only those who are old, infirm, chronically ill or suffering metabolic disorders. This has emboldened many sections of society, particularly the young, to feel they are invulnerable. Combine this selectivity with the silent nature of infection, namely that infection is often symptomless in many carriers, and when symptoms appear, they are slow to do so, then there is a disaster in the making. That disaster is the unwitting contagion of vulnerable people by symptomless carriers.

Unfortunately, this selectively has played into the hands of individualism. In a society divided by production and united only by the exchange of the commodities so produced, the capitalist individual appears disconnected except by the things being exchanged. What Marx called the "Fetishism of Commodities". This is a distortion of individualism; it is self-contained inconsequential individualism. It is the freedom to be, without regard to the freedom to affect. It is inward looking not outward looking. It is this concept of freedom, petty bourgeois freedom, which Trump has exploited so effectively but with such dire consequences.

Of course, viruses cannot be examined in isolation. Its' not about the intrinsic qualities of the virus alone. What characterizes a Marxian scholar is a rounded, not a one-sided investigation. Conclusions that leave out elements are always partial or even wrong. Thus, in the case of the virus we must also consider the health of the hosts, in this case the underlying health of society, and we need to investigate the capacity of society to deal with the pandemic starting with prevention to remedial capacity.

What this virus has exposed, shone the harshest of lights on, is the ill health of society and Big Pharma's exploitation of this through over-medication. Poor diet, overwork, sub-standard and overcrowded accommodation, and stress has undermined the health of the nation. The western-medical-model is not based on returning patients to health through restoring function, but instead, to medically colonize patients by taking over function. But treating symptoms rather than curing causes creates a viral paradise because immunity and metabolic function is compromised. That is why Africa, with more poverty and less medicine has suffered a much lower mortality rate than in the bountiful West, as previous articles on this website have shown.

This is the true corruption of western medicine, not the mere kickbacks given to politicians and doctors.

And of course, health care capacity and preparation has been plundered by neo-liberalism under the heading - cost effectiveness. Putting accountants in charge of anything is a recipe for disaster. Fortunately, they like lawyers disappear in a future society where their "skills" are no longer required.

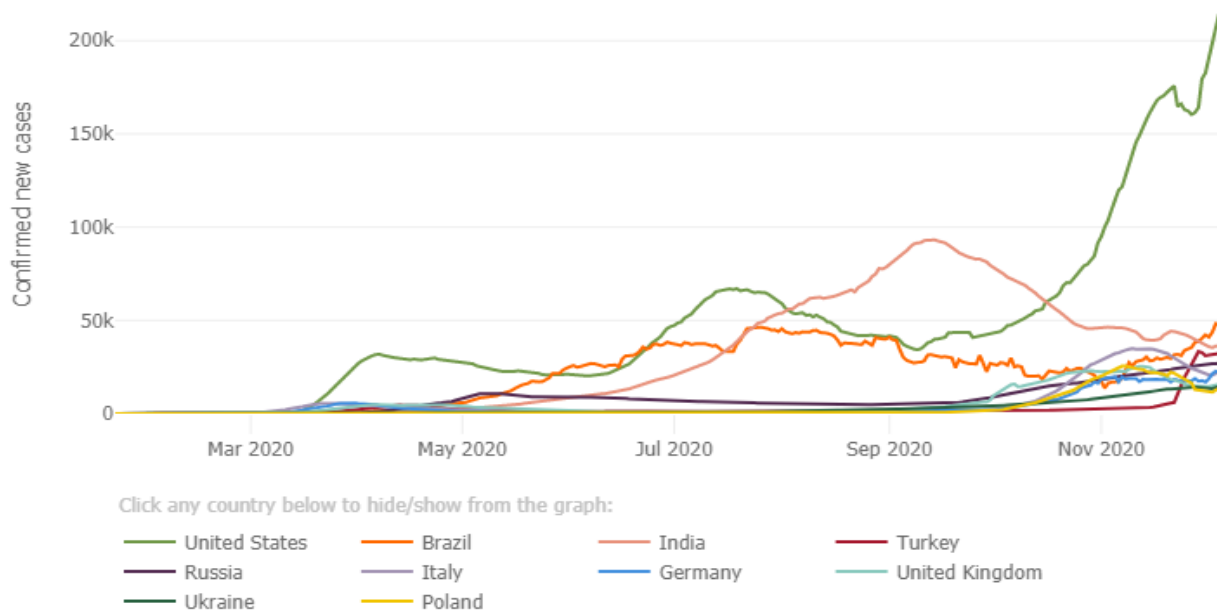
Turning to the oppressive state. The infantile left bleat on about the restrictions of individual liberties needed to modify behaviour. They present this as though it was pre-planned, as though the ruling class was waiting for the first opportunity to confine us. Wrong. This was not the preferred response by the ruling class. They only embarked on lockdowns etc. because the alternative was worse.

That alternative is becoming clear in the USA. It is the breakdown of important pillars of society. If it comes to pass, as it is, that the health system becomes overwhelmed by COVID patients, then it is not only COVID patients who will die. Excess deaths will soar. The media will be filled with refrigerator trucks filled with corpses, patients dying in lobbies and ambulances, of heartbreaking stories by the sick pleading over the phone for assistance. When that happens people will vote with their socks, go into survival mode, by staying at home. Supply chains could become disrupted. And then there is the long-term health problems that will occupy the medical system for months to come.

The darkest hour is before dawn, and the vaccinated dawn only appears some time in February. Clearly the behaviour of many governments at the outbreak of the pandemic, now vehemently denied, was to pursue herd immunity in order to keep the economy open. Born of greed, it was scuppered by greed, the ill health of society engendered by austerity and inequality which made this route impossible. Greed is its own worst enemy, a lesson the capitalist class is forced to learn time and again, with disastrous consequences for the working class.

This is the reason I have focused on the USA. Graph 1 says it all. The USA is the outlier.

**Graph 1.**



[New Cases of COVID-19 In World Countries - Johns Hopkins Coronavirus Resource Center \(jhu.edu\)](https://www.jhu.edu/coronavirus/new-cases)

There is another aspect of the US trend which is most interesting. Note the drop around the last week in November three weeks after the elections. Arguably, the cause of the surge in cases was due to Trump's rallies prior to November the 3<sup>rd</sup> which had finally played itself out by the second half of November. Daily cases only passed the earlier peak a week after Thanksgiving on the 3<sup>rd</sup> of December since when they have accelerated to new daily highs.

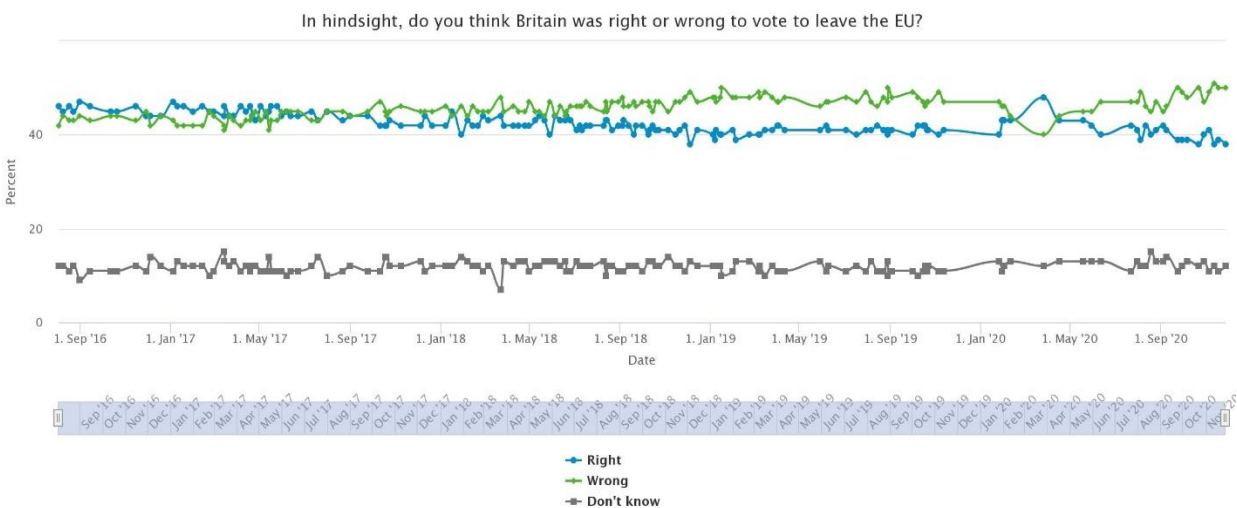
If governments curtailed our freedom it was done reluctantly. We must ensure that this restrictive legislation is wiped from the statute books once the pandemic subsides. We must ensure that the medical emergency does not endure as a state of emergency.

### **Brexit, another populist nightmare.**

The equivalent of the Trump lie that the virus will disappear, is Johnson's claim that life outside the EU will be full of fantastic opportunities and that Britain is about to prosper as never before. Except that the electorate no longer believes him and the less they believe him the more superlatives he uses. The country has changed its view. They now see Johnson as a charlatan, not only with regard to Europe but his handling of the pandemic. They have become suspicious. The closer the country gets to the deadline of December 31<sup>st</sup> the more hesitant it becomes about leaving. As graph 2 shows, currently 50% of the population think it was a mistake to vote for Brexit, but more importantly, only 39% think it was right.

This does not prevent the foolish Pelosi equivalent in the UK, Kier Starmer, from urging the Labour Party to back any deal the government comes up with, regardless of the changed mood in the country and in the face of an impending economic disaster.

**Graph 2.**



### [In hindsight, do you think Britain was right or wrong to vote to leave the EU? – What UK Thinks: EU](http://www.WhatUKThinks.org/EU)

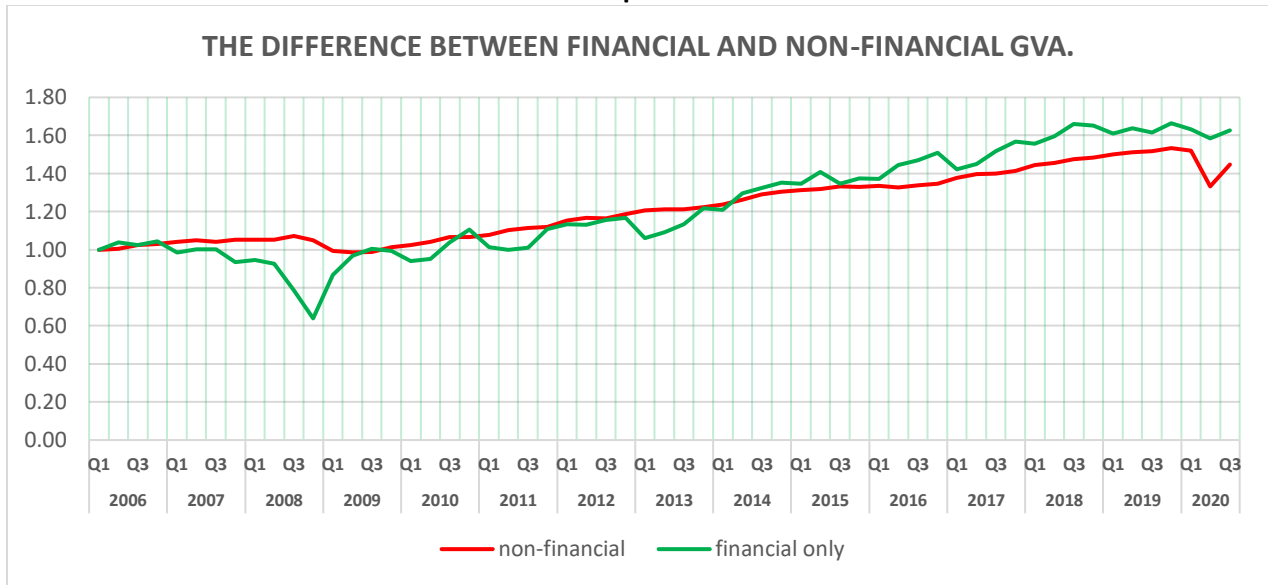
Let us see what happens to Trump by January the 5<sup>th</sup> when the Congressional elections are held in Georgia already reeling from the pandemic and host to yet another superspreader Trump rally. If the two Republican candidates lose heavily, this loss will fall on Trump. History will remember the rule of the populists as a period of political chicanery manipulating desperate voters.

### **And so on to 3<sup>rd</sup> Quarter Corporate profits.**

As much as Trump points away from the virus, he points to the economy and the stock market. So, while Wall Street soars hospitals collapse, and while banks profit, 20,000 cars and vans patiently queue outside a foodbank in Texas. Fortunately for Wall Street, this virus does not target brains corroded by greed. If anything symbolizes the comical bankruptcy of capitalism, no longer fit to rule society, it must be the surreal behaviour of stock markets living on FED pixie dust.

All the following data belongs to NIPA Table 1.14 (attached) and which was released on the 25<sup>th</sup> November. To those familiar with this vital Table, it is divided into financial and non-financial corporate business. Graph 3 begins our analysis. It compares the fortunes of financial corporations to the non-financial. Unbelievable. The Pandemic is not visible in the realm of financial corporates which includes banking. Unlike the much larger non-financial sector where a whirlpool is clearly visible, in the financial world the sea is beautifully calm with undulating waves under a gentle FED breeze.

**Graph 3.**

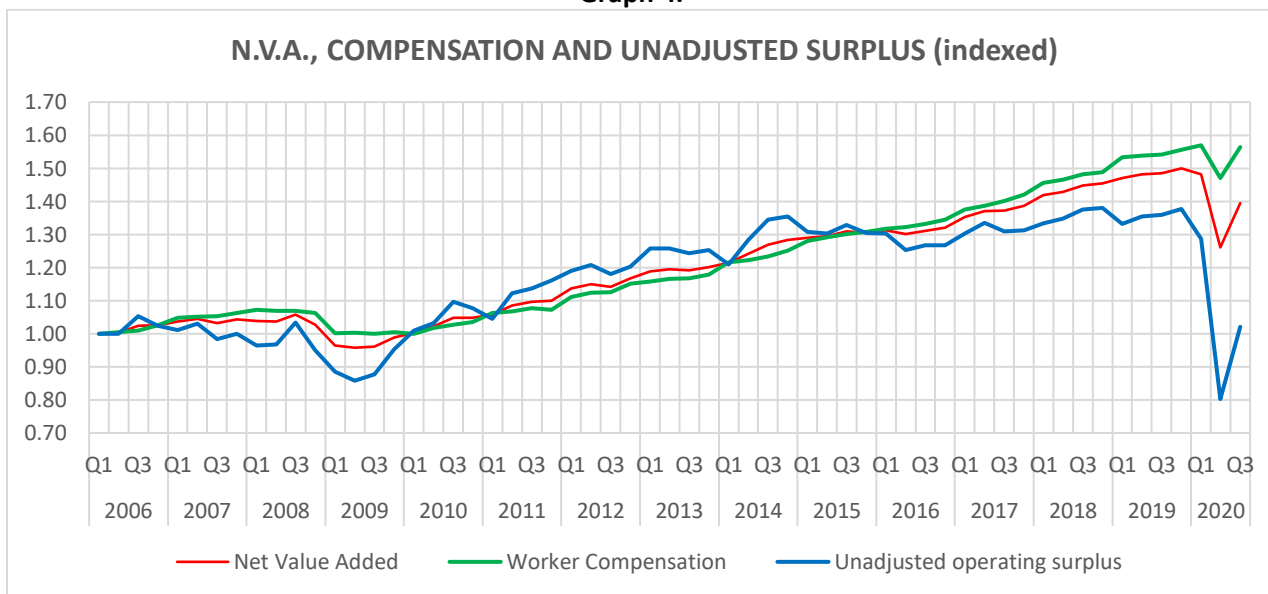


Source: Attached file "Table 1.14 Q3 (1)"

The green graph represents financial corporations. Note the difference between now and 2008.

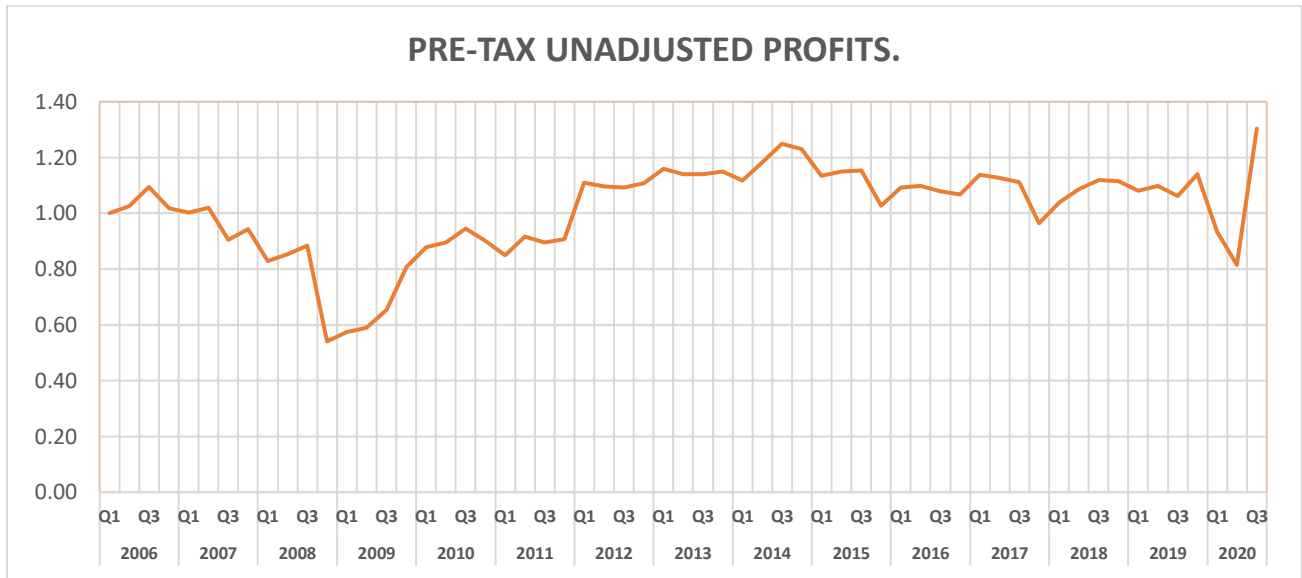
From now on we will focus only on non-financial corporations.

**Graph 4.**



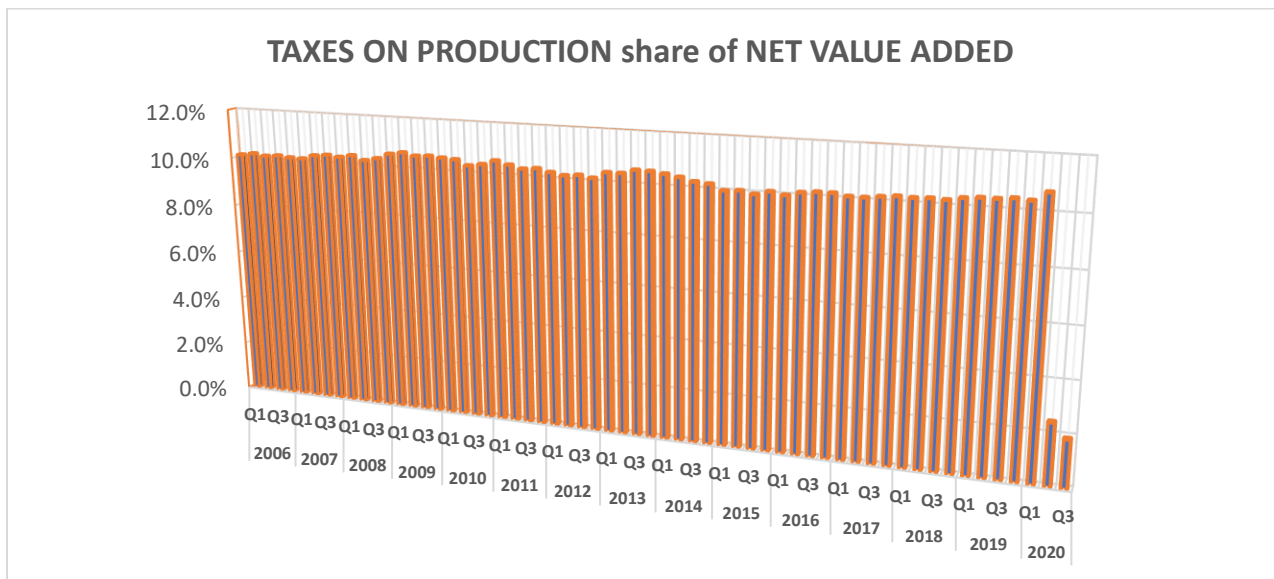
The above is an x-ray of the anatomy of these corporations. Firstly, note how much more violent is the movement currently compared to 2008. Above all focus on the blue graph “unadjusted operating surplus”. It consists of net value added less worker compensation. It has fallen by 26%, a most significant fall. And yet when we look at pre-tax unadjusted profits (row 37 of Table 1.14) these profits have risen by 14%. “You can’t be serious”.

**Graph 5.**



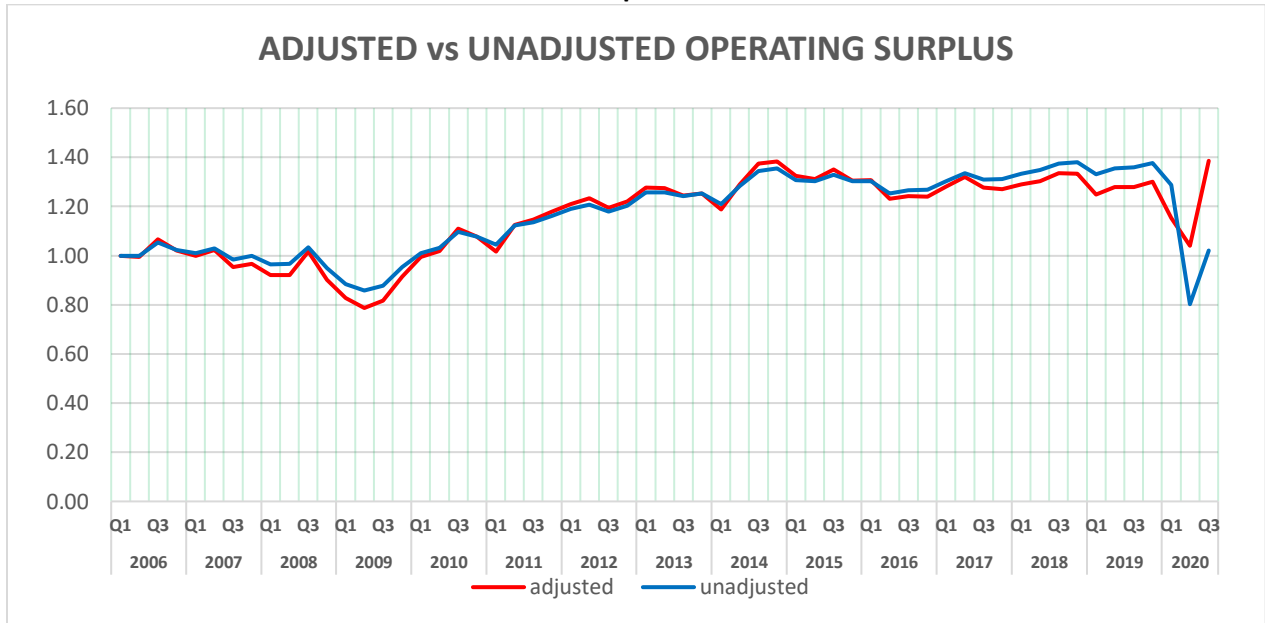
How has this happened? Graph 6 below provides the answer. It is based on line 23 in the Table called “Taxes on production and imports less subsidies”. It is the subsidies element that is important. These subsidies flowed in from the \$2.2 trillion CARES Act passed by Congress in March to support companies and workers. As a result of these subsidies net taxes paid by corporations plunged in Q2 and Q3.

**Graph 6.**



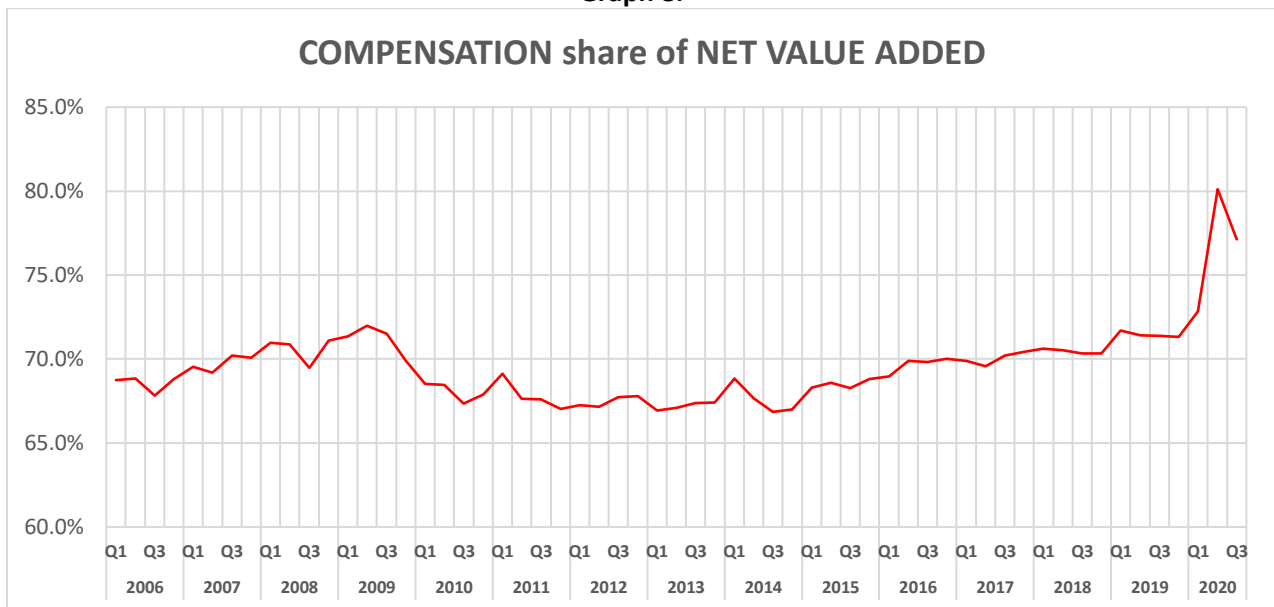
Net taxes after contra-ing out subsidies fell to 2.4% in the second quarter and 1.9% in the third compared to an average of 10.5% previously. This meant an average increase in subsidy of over \$600bn in each quarter. When added to profits, it boosted profits beyond their peak in 2014. Who says pandemics are not good for business? Without this subsidy profits would have fallen by 39% instead of rising by 14%. The difference in the operating surplus due to this subsidy is demonstrated in Graph 7 below.

**Graph 7.**



It is difficult to untangle the subsidy from the reduction in taxes caused reduced production and therefore arrive at a figure of total subsidy. What is concerning however is that the subsidies clearly increased in Quarter 3 despite the CARES Act ending on July 26<sup>th</sup> which was the first month of the third quarter. However, it was not only subsidies that were affected by the Act so too was the subsidy to wages.

**Graph 8.**



Wages rose by 10% from 70% to 80% despite all the layoffs. One wonders if part of this rise was due to managers taking “care” of themselves with congressional money. Certainly, the Bureau of Labour Statistics index of wage inflation spiked in Q2 which could only have happened if the weight of wages were being paid to higher earners, with lower earners no longer on the payroll. It seems strange that when production resumed in the third quarter and workers were re-hired, that wages fell as a share of NVA. It can be argued that some of this was due to net value added rising 11% compared to 6% for wages, but it can also be due to wage subsidies ending on July 26<sup>th</sup>.

What is true is that for the last two quarter is that the data does not represent value produced and surplus value realised. The data is clearly contaminated by subsidies which have raised the national debt. In many ways this has been MMT in action because part of this debt has been monetized by the FED just as it has been in the UK by the Bank of England. So far without consequence.

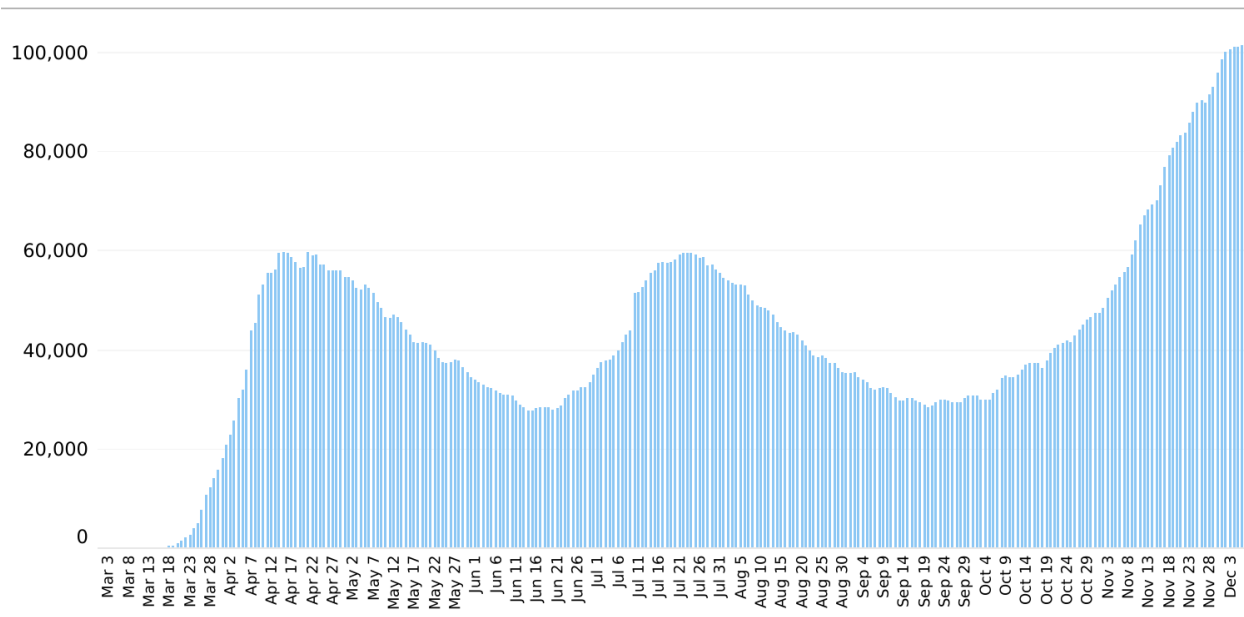
Despite the data being contaminated, Wall Street and its mascot Trump, have waxed lyrical about how well the economy and corporations are doing. Except that below the surface they are not, and this will be revealed in the fourth quarter, where subsidies are absent.

**Conclusion.**

The Alt-right may dispute the Pandemic and the quality of tests, what they cannot dispute is the mortality figures. No one argues with death. These mortality figures will be increasingly understated as the gap between excess deaths and COVID recorded deaths increase because hospitals and mortuaries will be overwhelmed. It will take months before the number killed by this virus becomes clear.

**US CURRENTLY HOSPITALIZED WITH COVID-19**

Mar 1 to Dec 6



Note: Florida began reporting this figure on July 10.

In the end such reckless neglect must have political ramifications. Trump is desperately trying to cohere his base with accusations that the election was stolen, because many of his supporters, who also feel their lives have been stolen by the establishment, ne swamp, can identify with this. But in the end, it is my



contention he will fail. You can only fool some of the sick some of the time, you cannot fool them all the time. By January 5<sup>th</sup> and 20<sup>th</sup>, the scale of the pandemic will have reached such an intensity that it will burn Trump and the G.O.K.P., *God's Own Killer Party*. Already Trump's popularity is beginning to move outside his comfort zone, the 43 to 45% approval rating. Once it goes, it goes. That is the nature of dialectics.

Trump has enjoyed a second blessing, the curdled Democratic Party. In case anyone disputes the relevance of the slogan "2008 never again, this time the rich must pay" look at the maneuvering around the new relief bill. Pelosi has accepted the figure of \$908 billion as a starting point. When she was challenged for accepting this paltry amount, half of the figure proposed by Trump two month ago which she rejected, her reply was the smaller amount was now acceptable because a vaccine was ready. So, the cat or jab is out of the back. All the election promises are out of the door and Biden is not yet sitting in the Oval Office. Instead of free cake, a free jab or two will have to do.

I have written this series on the pandemic with following objectives in mind. To show that capitalism cannot prepare for nor cope with major emergencies. That neo-liberalism through its naked pursuit of profit, requiring a diminished state and curtailed regulations, and fostering inequality, has made society more vulnerable while corroding the government's capacity to respond. That populism is the product of the failure of neo-liberalism disguised as its opposite. That only the state can respond on behalf of society under such conditions and that the continued use of private companies dilutes and diverts such a response. Finally, that the Western Medical Model, based on the medical colonization of patients is unnatural making patients vulnerable to disease.

We are approaching the climax of the Pandemic.

Brian Green, 7<sup>th</sup> December 2020.