

TWILIGHT CAPITALISM

KARL MARX AND
THE DECAY OF THE
PROFIT SYSTEM

Murray E.G. Smith • Jonah Butovsky • Josh Watterton

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CONTENTS

Acronyms.....	viii
Preface.....	1
Acknowledgements	4
1 Pandemic, Slump and Uprising in the Twilight of Capitalism.....	5
The Pandemic and the Slump: An Overview	10
Explaining the Social Crisis of 2020	20
Social Morbidities and Capitalist Production Relations.....	28
Uprising and the Way Forward.....	32
Notes.....	35
2 Twilight Capitalism: The Economic Dimension	38
Who Done It? A Tale of Plagues and Profits	39
From the Great Recession to the Catastrophe of 2020.....	43
Productivity, Value and Capitalist Crisis.....	51
Production, Finance and the Falling Rate of Profit	57
Marx's Law of the Tendency of the Rate of Profit to Fall	63
Profitability Crisis and Financialization Revisited.....	65
The Role of China.....	67
Capitalist Economic Crisis and Marxist-Socialist Politics.....	71
Notes.....	74
3 Marx's Theories of Value, Capital and Crisis	78
Capitalism and Human Progress	78
Capitalism as a Mode of Production	88
Marx's Theory of Capital and Surplus Value	94
Marx on Falling Profitability and Capitalist Crisis	103
The Historical-Structural Crisis of Capitalism.....	112
On Marx's Theories and "Predictions"	114
Summing Up.....	126
Notes.....	127

4	Valorization Crisis and the Path to Global Depression.....	129
	Capitalism and Valorization Crisis	129
	From the Keynesian “Golden Age” to Neoliberalism.....	133
	Global Turbulence and the Marxian Theory of Crisis:	
	A Critique of Brenner.....	143
	Financialization, the Great Recession and	
	the Making of the Long Depression	162
	Notes	166
5	Marx’s Law of Profitability: Evidence and Controversy	167
	The Marxian System, Contemporary Capitalism	
	and National Income Accounts.....	167
	The U.S. Postwar Period: Profitability Trends and Crisis.....	168
	Theoretically Specifying and Operationalizing the Marxian Value	
	Categories and Ratios: On the Origins of the Long Depression.....	177
	Conclusion	195
	Notes	197
6	Marxist versus Radical Heterodox Economics: In Defence	
	of the Labour Theory of Value.....	198
	Why Does Marx’s Labour Theory of Value Matter?	198
	Mariana Mazzucato on Value and Stephanie Kelton on Money.....	201
	The Value Controversy: Why Marx’s LTV Holds	207
	Conclusion	220
	Notes	221
7	Twilight Capitalism or Socialist Revolution?	223
	Marxist-Socialist versus Capitalist Politics in	
	the Twilight of Capitalism.....	223
	Marxist Socialism and the Crisis of the Radical Left.....	229
	Conclusion	252
	Notes	253
8	Imagining Socialism	255
	Trotsky on Stalinism and Problems of Socialist Construction	256
	Imagining Socialism: The “Models” of Albert and Gindin.....	260
	In Defence of Socialist Central Planning.....	265
	Conclusion	273
	References.....	276
	Index	287

*To those many millions who have fought
under the banner of Marxism for human
emancipation and a socialist future since the
publication of Karl Marx's Capital in 1867*

EXCERPT

ACRONYMS

ACC	advanced capitalist country
AFV	anticipated future value
ARP	average rate of profit
BT	Bolshevik Tendency
CARES	Coronavirus Aid, Relief, and Economic Security [Act]
CDO	collateralized debt obligation
CLO	collateralized loan obligation
DJIA	Dow Jones Industrial Average
DSA	Democratic Socialists of America
FC	fictitious capital
FIRE	finance, insurance and real estate
GDP	gross domestic product
HDI	Human Development Index
IBT	International Bolshevik Tendency
IG	Internationalist Group
ILO	International Labour Organization
LTC	long-term care
LTRPF	law of the tendency of the rate of profit to fall
LTV	labour theory of value
MMT	modern monetary theory
OCC	organic composition of capital
OECD	Organization for Economic Cooperation and Development
PEV	previously existing value
PMC	professional-managerial class
RSV	rate of surplus value
SNUL	socially necessary unproductive labour
TCC	technical composition of capital
TSSI	temporal single system interpretation
UHNW	ultra-high net worth
VCC	value composition of capital
VCO	value composition of output
WHO	World Health Organization
WRP	world rate of profit

PREFACE

Murray E.G. Smith

This book is a hybrid of sorts. To an extent, it's an updated and revised version of my *Global Capitalism in Crisis: Karl Marx and the Decay of the Profit System* (*GCIC*), published in 2010. Yet it can also be seen as a new book, featuring almost 60 percent entirely original content with important contributions by my co-authors, Jonah Butovsky and Josh Watterton. Like *GCIC*, *Twilight Capitalism* provides a snapshot of a specific conjunctural crisis of twenty-first-century capitalism — the social upheaval and severe economic slump of 2020 triggered by the coronavirus pandemic — while also treating that crisis as an episode within a larger “historical-structural crisis” of the capitalist profit system. At the same time, it offers a much more in-depth treatment of many of the theoretical issues explored in *GCIC* and a great deal more original empirical analysis of long-term trends in the U.S. economy — findings that support our central argument that twenty-first-century capitalism has entered irrevocably into a “twilight” stage.

The present book also offers what we think is a clear and accessible introduction to Karl Marx's foundational theoretical contributions to the critical analysis of the capitalist mode of production, while likewise proposing some distinctive insights into important but often neglected or undeveloped areas of Marx's thought that are a source of disagreement and controversy among Marxist scholars. We anticipate that our interventions into the debates surrounding Marx's theories of labour value, economic crisis, unproductive labour, fictitious capital and, above all, the tendency of the rate of profit to fall will attract the attention of specialists in Marxist political economy. However, we also hope to persuade those new to these discussions that Marx's analysis of the laws of motion and historical limits of capitalism is even more relevant in our time than it was 150 years ago.

Today, after a long period of accelerating decay, world capitalism is in the midst of a severe breakdown. Moreover, this breakdown is impressing

upon human consciousness the recognition that the “neoliberal” vintage of capitalism has become unsustainable — indeed, that it is now giving way to something that is both much more brutal and far more susceptible to revolutionary Marxist criticism. Capitalism’s fundamental “laws of motion” as identified and analyzed by Marx are not merely operational in the twenty-first century; they have reached a critical denouement. Consequently, this profit-driven and outmoded system appears not only unjust, inequitable, invidious and crisis-prone but increasingly as an existential threat to humanity, ravaging the relationship between human society and the natural world, restraining and perverting the development of human capacities and paving the way for a new world war.

The question is posed: how will conscious human beings respond to this breakdown? How will we choose to act as the irrationalities, injustices and perils of capitalism continue to mount? At bottom, these are *political* questions closely linked to the unfolding of the class struggle between capital and labour, as well as to the historical contest between those striving to preserve the anachronistic and decaying capitalist system and those fighting for a new, egalitarian-socialist world.

Capitalism will soon end — either through the conscious efforts of the workers of the world to replace it with a higher and more sustainable order of social and economic organization or through capital’s destruction of humanity. The outcome will depend on a struggle of conflicting social forces and competing programs — a final great theme taken up in *Twilight Capitalism* just as it was a decade ago in *Global Capitalism in Crisis*.

The itinerary of the book is as follows. Chapter 1, entitled “Pandemic, Slump and Uprising in the Twilight of Capitalism,” focuses on the origins and course of the “combined” social crises of 2020 while also outlining some major themes of the book. Chapter 2, “Twilight Capitalism: The Economic Dimension,” provides an overview of the entire period between the financial crisis and Great Recession of 2007–09 and the 2020 crisis, a period that the authors regard as one of protracted depression. This chapter also introduces the reader to some key elements of Marx’s theory of capitalist crisis and his law of profitability. Chapter 3, entitled “Marx’s Theories of Value, Capital and Crisis,” offers a conspectus of Marx’s views on a wide range of issues as well as a more comprehensive treatment of his “economics.” Chapter 4, “Valorization Crisis and the Path to Global

Depression,” argues that the key element in Marx’s account of capitalist crisis is the problem of insufficient production of surplus value, a problem that has continually mutated and worsened since a new material basis for capital accumulation was established in the aftermath of World War II. In Chapter 5, “Marx’s Law of Profitability: Evidence and Controversy,” we review and appraise the empirical work of several proponents of Marx’s law of the tendency of the rate of profit to fall, together with our own recent contributions. (Please note that many readers new to the literature may find this chapter challenging. While reassuring the uninitiated that it can be safely bypassed without losing sight of the main line of the book’s argument, we nevertheless urge all of our readers to study it, above all with a view to appreciating the numerous charts provided.) Chapter 6, entitled “Marxist versus Radical Heterodox Economics: In Defence of the Labour Theory of Value,” clarifies the difference between Marx’s “production-centred” theory of value and capitalist crisis and some “heterodox” economic theories (including some putatively Marxist ones) that tend to focus on “the market” and state policy. This chapter also provides a general survey and assessment of the controversy surrounding Marx’s labour theory of value over the past century. Chapter 7, “Twilight Capitalism or Socialist Revolution?,” analyzes important trends in contemporary capitalist politics, the chronic crisis of leadership of the working class, the persistent disorientation of the “socialist left” in the post-Soviet era and how the latter might be overcome. Finally, Chapter 8, “Imagining Socialism,” offers a critical historical retrospective on what was sometimes called “actually existing socialism” in the Soviet Union and Eastern Europe, a consideration of some recent “blueprints” for building a socialist society and an argument in support of “proletarian-democratic central planning” as a necessary element in the transition to a global socialist civilization truly worthy of the name.

— *Murray E.G. Smith, November 1, 2020*

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PANDEMIC, SLUMP AND UPRISING IN THE TWILIGHT OF CAPITALISM

The third decade of the twenty-first century made its debut in truly extraordinary fashion. In 2020, profound discontent with the status quo, long simmering on a global scale, found explosive expressions heralding a new and potentially revolutionary era. To paraphrase a famous line from Marx and Engels' *Communist Manifesto* — all that seemed solid melted into air, all that seemed holy was profaned, and humanity was at last compelled to face with sober senses its real conditions of life.

The social upheaval of 2020 may well mark a major turning point in world history. The global Covid-19 public health emergency and the associated economic slump produced hugely disruptive and far-reaching social and political effects. Even before the onset of the pandemic, the world economy had been on the brink of severe recession after a prolonged yet remarkably tepid recovery from the Great Recession of 2008–09 — as well as several decades of slow growth, austerity and persistent profitability problems for *productive* capital. That said, the anticipated recession was greatly amplified by state-mandated (full or partial) lockdowns of many industries, government services and small businesses — seemingly desperate measures aimed at averting a health crisis on the scale of the Spanish Flu pandemic of 1918–19. The result was a level of global unemployment and economic contraction that almost certainly surpassed that of the Great Depression of the 1930s.

The response of Western governments and central banks to these “combined” crises was to inject huge amounts of funds into financial markets and corporate bailouts to protect and expand the fabulous fortunes of the ultra-rich, while providing only meagre or token assistance to masses of working people facing unemployment, hunger, evictions, foreclosures and the interruption or termination of urgently needed health care. The self-isolation protocols and physical distancing rules that were authorized

to contain the SARS-CoV-2 pandemic resulted in unprecedented levels of social atomization while inhibiting collective struggle by working people — above all, by impeding protests and strikes demanding pandemic-safe working conditions for those still toiling in what governments deemed to be “essential” industries. Importantly, however, what seemed to be crude but necessary measures for curbing the pandemic just happened to align with the agenda of capitalist governments to suppress any manifestation of protest or rebellion against their nakedly pro-corporate and anti-worker policies.

And then ... a flashpoint! In the midst of the pandemic, an exceedingly deep economic slump and the biggest wealth transfer to corporate and financial oligarchs in history, an unarmed Black American named George Floyd was wantonly asphyxiated by Minneapolis police on May 25.

The release of a video recording of the horrific murder soon led to an eruption of massive, multiracial and largely spontaneous protests in thousands of cities and towns throughout the United States and around the world. This remarkable social-political uprising gave powerful expression to popular revulsion toward police brutality and entrenched, systemic racism, but also to widespread opposition to the powers that be in a world burdened by pervasive injustice, rising authoritarianism and militarism, burgeoning economic inequality, intensifying international conflicts and runaway ecological destruction. Two veteran Canadian socialists framed the rebellious sentiment well:

No one yet knows how this story will end. In the era of pandemic, every social issue seems to bare its connective tissue to other social issues. Is it any wonder that young women of colour have emerged as the most articulate voices for change? Or that their mothers, who disproportionately risk their lives working in long-term care (LTC) facilities or hospitals, join their children on demonstrations, demanding personal protective equipment (PPE) and a living wage? Or [that] their fathers, compelled to work in “essential industries,” and who, as the demographics now show, have caught the COVID virus at work, march beside them as well? (Doctorow and Kopyto 2020)

Similar if more pointed observations were offered by a long-time American Marxist:

People are starting to tie together the connected threads in the response to the pandemic, the economic crisis, and the ongoing racist police brutality. Protesters are demanding change to a system that is ruining their lives and assaulting their dignity. But what is that system? ... While there is now wide and growing acknowledgement among the protesters that racial oppression is *systemic*, there are crucial differences in identifying the system. Conservatives and liberals focus on the system of “policing” and “criminal justice”; they propose some cosmetic reforms to restore “police-community relations.” Many other protesters identify the system as race-based white supremacy and focus on the horrific examples of ubiquitous racist culture ... For Marxist revolutionaries, however, the racist system that is at the root of the oppression of black people in the U.S. (and elsewhere) is class-based capitalism that generates and constantly reinforces structural racism and white-supremacist ideology, which both reflects and contributes to that structure. (Brover 2020)

Taken together, the events comprising the social crisis of 2020 brought into sharp focus the brittleness — perhaps even the *impermanence* — of an exploitative, racist and oppressive order from which masses of people, especially the young, were already feeling increasingly alienated. What’s more, for growing numbers, this extraordinary historical moment heightened a dawning *class* consciousness that the dominant socio-economic system in today’s world — the capitalist profit system — is at the root of their alienation and can only lead humanity into an escalating series of catastrophes.

Foremost among those looming catastrophes are the climate emergency and related ecological devastation as well as the drive toward a new world war by the United States — the faltering “sole superpower” of the twenty-first-century world. The combined character of the 2020 crisis was a sharp reminder (as if one were really needed!) of the growing metabolic rift between the natural world, from which the coronavirus emerged, and the short-sighted, profit-driven capitalist order, whose operations contributed decisively to its introduction and spread in the “human world.” Equally worrisome, the pandemic/slump accentuated a deepening crisis in international relations stemming from the growing hubris, belligerence and declining “soft power” of the U.S. imperialist hegemon — but also, and far more fundamentally, from the glaring disorder of a global capitalist system shot through with intensifying antagonisms.

At many levels, the events of 2020 served to confirm the general prognosis for twenty-first-century capitalism recently outlined in *Invisible Leviathan: Marx's Law of Value in the Twilight of Capitalism* — a prognosis that informs much of what will follow in the present work and that has particular salience for understanding the social and geopolitical watershed we have now reached:

Global capitalism, with humanity in tow, is now facing a triple crisis: 1) a deepening structural contradiction of the capitalist mode of production, one manifested as a multi-dimensional crisis of “valorization” — that is to say, a crisis in the production of “surplus-value,” the very lifeblood of the profit system; 2) an acute crisis in international relations stemming from the fact that the global productive forces are bursting the confines of the nation-state system, whose individual units continue to address their gravest problems in primarily “national” ways; and 3) a growing “metabolic rift” between human civilization and what Marx called the “natural conditions of production” — the ecological foundations of human sustainability. Together, these interrelated crises suggest that we have now entered a “twilight era” of capitalism — one in which humanity will either find the means to create a higher and more rational order of social and economic organization, or in which decaying capitalism will bring about the destruction of human civilization. (Smith 2019: 6–7)

Signalled by the inspirational global youth uprising that began in May–June 2020, a further crisis of world capitalism should now be registered: a profound *crisis of legitimacy* of the political regimes of several of the Western imperialist states. A failure of leadership now afflicts the capitalist ruling class(es) no less than the oppressed and exploited working masses of the world. The ruling oligarchs seem at an impasse, with few tools at their disposal for containing the discontent apart from transparently hollow promises of reform, foul attempts to deflect attention from their own incompetent and criminal actions by vilifying foreign enemies, and savage repression (the latter two being the preferred options of the Trump regime).

Although a pronounced shift to the left is apparent among the working masses and youth throughout the advanced capitalist world — and especially in the United States — the capitalist elites have nowhere shown

much willingness to stray from the path of an increasingly authoritarian, intolerant and bellicose neoliberalism. More alarmingly, even as some signal virtuous opposition to “systemic racism” in a variety of largely symbolic ways, others display a determination to cultivate, directly or indirectly, the growth of far right and fascist forces as reserve shock troops for the coming *class* battles they understand to be on the horizon. This latter trend is particularly advanced in the United States, Germany, France and Italy — all members of the G7 club of rich imperialist countries. Extreme right parties have already come to power in such putative democracies as Israel, India, Turkey, Poland, Ukraine and Hungary as well as in several Latin American nations. The United States could easily be added to this list, albeit with the qualification that America’s Democrat-Republican duopoly has long been a far-right phenomenon by international standards — the reputed “liberalism” of the Democratic wing resting almost entirely on a largely undeserved reputation for opposing racial and gender discrimination, in contrast to the shameless bigotry of the Republican wing.

By the summer of 2020, what little remained of the democratic veneer of “advanced capitalism” seemed to be rapidly melting away. As masses of young people mobilized in the streets to demand a more authentically egalitarian and democratic society, a wave of wildcat strikes and job actions demanding safer working conditions gained momentum in hospitals, automobile plants, food-processing facilities and numerous other workplaces. According to *Payday Report* (Elk 2020), over eight hundred wildcat strikes broke out in the United States between March 1 and mid-June — with more than five hundred coinciding with or inspired directly by the Black Lives Matter protests. The country that is home to one of the weakest organized labour movements in the developed world hadn’t seen such an impressive upsurge of working-class militancy in several decades — and perhaps never before an insurgency addressing so wide a range of social issues.

A significant new phase of twilight capitalism has opened, one full of promise but also of peril. In such a context, it would be unwise to celebrate unreservedly the fact that the capitalist social and political order is in disarray and that its overlords are increasingly challenged by a new *zeitgeist* of popular rebellion. What’s more — and here we can paraphrase Marx again — it’s clearly not enough for activists to merely criticize the world in various ways; the point must be to *change* it. But how to do so?

Through which agencies? And with what goals in mind? The inchoate youth and worker uprising of 2020 will dissipate and end up as little more than a target for rightist backlash if its most committed militants fail to recognize the need for a coherent and *comprehensive* program of change, one informed by a fully emancipatory vision but also by a scientific apprehension of the existential crisis facing all of humanity. Such recognition will require serious and patient assimilation of the *scientific socialism* of Marx, Engels and their most illustrious followers — a body of theory, revolutionary program and strategy that stands alone in adequately diagnosing the major ills of the contemporary world and in prescribing the way forward to an egalitarian, democratic and sustainable *socialist* future.

In this spirit, this book is offered as a contribution to illuminating not only the relevance of Marxism but also its *indispensability* to all those seeking to change the world with a view to achieving the goals of human well-being, emancipation ... and, above all, survival.

THE PANDEMIC AND THE SLUMP: AN OVERVIEW

A central aspect of the social crisis of 2020 concerned the complex relationship between a unique biomedical-ecological phenomenon and the worsening economic malaise of twenty-first-century capitalism. In order to analyze this relationship, we need to recall some of the most significant facts about the origins and early course of the pandemic, as well as the responses it elicited — above all from those purporting to be “in charge.”

- Between the beginning of January and the end of June, about 514,000 deaths were attributed to the new disease called Covid-19. This death toll represented about 5 percent of those officially confirmed to have been infected with a virus initially dubbed the novel coronavirus and later SARS-CoV-2. The virus had a zoonotic origin, almost certainly involving bats native to the Chinese province of Hubei whose habitats have been subject to growing human incursion.
- How the virus passed from bats to humans remains unknown, but it should be noted that assertions have been made, from a variety of quarters (including some scientific ones), that it may have undergone some deliberate modification in a virology laboratory (either in Wuhan, China, or elsewhere), enabling its transmission to humans. Widespread interest in such claims, despite

the absence of conclusive supporting evidence, attested to the willingness of large numbers of people (from around the world and across the political spectrum) to believe that authoritative figures in government and in medical science are quite willing to pursue grossly irresponsible and even criminal activities that gravely endanger humanity. The latter notion is by no means a paranoid “conspiracy theory” as it is a well-established fact that “gain of function” research on dangerous viruses of potential use in biological warfare is being pursued by a number of Western countries (above all, the United States) as well as by China and Russia.

- Without the extraordinary initial public health measures carried out by governments, the death toll from the pandemic could easily have been much greater than it was. However, a strong case can also be made that if governments and health-care systems worldwide had been better prepared for the pandemic — an event long predicted by epidemiologists and virologists — many more lives could have been saved and some of the most economically damaging measures carried out in response to it avoided.
- In the United States, the country with the most deaths, about 80 percent of those who died from (or with) Covid-19 were over age sixty-five. This compares to the 78 percent of deaths from “internal causes” involving those over sixty-five in 2018. Almost from the beginning of the pandemic, it was well established that a great majority of adults below the age of sixty-five, as well as children and adolescents, were at very low risk of developing anything more than relatively mild flu-like symptoms. This fact starkly distinguished the coronavirus pandemic from the H1N1 influenza pandemic of 1918–19, in which most deaths involved people between the ages of twenty and forty. The global death toll from the latter pandemic is estimated to have been between 50 and 100 million people, with considerably more dying during its second wave than its first.
- By late February, news about the developing pandemic dominated corporate mass media outlets around the world. As the virus spread globally and as Covid-19 showed an ability to overwhelm hospital capacities in some major metropolitan centres (notably in Tehran, Northern Italy, Madrid and New York City), medical

professionals and mainstream journalists led a concerted effort to rally popular support for a number of specific recommendations of the World Health Organization (WHO) to contain the pandemic. These included a “test and contact trace” strategy to rapidly identify those infected, the quarantining of confirmed cases, a public education campaign to promote hygienic practices like handwashing (and later face masking) and the adoption of policies aimed at encouraging or requiring physical distancing among the general public.

- The pandemic’s mounting caseload and death toll (which reached over half a million by June 30) were assiduously reported to the public on a daily basis by the corporate mass media. This contributed to widespread awareness of the seriousness of the health emergency as well as to a climate of fear and compliance to authority. Meanwhile, in the first half of 2020, about six million people died from other communicable diseases, including 243,000 from seasonal influenza, 488,000 from malaria and 838,000 from HIV/AIDS (as reported by Worldometer.org, June 30, 2020). In addition, about 5,575,000 people died of hunger and 535,000 from suicide. These comparative global statistics, which mainly concern deaths occurring in the Global South, went largely unmentioned by the mass media and undiscussed by politicians and public health officials in the Global North. They no doubt remain largely unknown to most members of the public in the “Western democracies.”
- In response to the apparent overloading of health care systems in places hardest hit by the pandemic, many governments throughout the world, including most jurisdictions in the Global North, ordered complete or partial closures of large segments of their economies as well as their borders. Targeted sectors included “non-essential” manufacturing, construction and retail; airlines; personal services; restaurant and hospitality industries; tourism; the arts and entertainment industries; and sporting venues and events. Together these measures had the effect of “flattening the curve” of the pandemic while also severely disrupting the normal operations of businesses, governments and markets worldwide.
- The early and quite effective measures taken in the Chinese province of Hubei to restrict travel, enforce physical distancing and

Table 1-1 The Impact of the Pandemic: January to July, 2020

	<i>Total Confirmed Cases</i>	<i>Confirmed Cases per Million</i>	<i>Total Deaths</i>	<i>Deaths per Million</i>	<i>Excess Deaths</i>
U.S.	3,431,744	9,985	136,699	409	149,200
Brazil	1,921,824	8,773	74,133	354	54,700
U.K.	292,931	4,266	45,138	678	65,700
Germany	200,734	2,375	9,079	110	9,800
Canada	114,000	3,000	9,000	237	n.a.
South Korea	13,551	263	289	5.6	n.a.
China	85,226	59.1	4,642	3.3	n.a.
Cuba	2,432	214	87	7.7	n.a.
Vietnam	381	3.8	0	0	n.a.
New Zealand	1,547	248	22	5	n.a.

Figures compiled by Alfredo Saad-Filho <socialistproject.ca/author/alfredo-saad-filho/>, with additions and minor adjustments by the authors.

Sources: Johns Hopkins University 2020; <ourworldindata.org> (July 13 and July 23, 2020).

lock down much of its economy (measures initially described in the West as draconian and authoritarian) were replicated, albeit only partially and with varying degrees of success, in other parts of East Asia, South Asia, Australasia, continental Europe, Canada, and (more belatedly) the United Kingdom and the United States.

- It is significant that countries under the rule of nominally communist governments (often with well-developed central planning capabilities) managed to contain the pandemic far more successfully than the great majority of capitalist countries. By mid-July, Covid-19 related deaths per million stood at 3.3 in China, 7.7 in Cuba, and 0 in both Vietnam and Laos. These figures bear comparison to those for the United Kingdom (678), the United States (409), Canada (237), Germany (110) and Brazil (354). In the capitalist world, only a few countries, notably New Zealand (4.7), South Korea (5.6) and Taiwan (0.3) performed as well as China, Cuba, Vietnam and Laos. (Most figures here are taken from Table 1-1.) Citing no concrete evidence and appealing to long-established anti-communist prejudices, many Western leaders and journalists sought to cast doubt on the veracity of the officially reported figures emanating from China in particular,

even as they generally treated the official statistics for their own countries as unimpeachable.

- With the exception of several East Asian and Southeast Asian nations, along with Cuba, most countries were slow to implement the WHO's cardinal recommendation to establish extensive testing and contact-tracing regimes. Most were also equally remiss in their efforts to identify and protect those segments of the population most vulnerable to Covid-19, particularly elderly and/or disabled people living in long-term care (LTC) facilities and retirement residences. It's now well known that a great many of those who succumbed to Covid-19 could have avoided infection had they been properly and humanely quarantined in the early stages of the pandemic. Certainly, the cost of such a policy to governments would have been far less than the gargantuan financial donations made to capitalist interests by way of compensation for the lockdowns.
- In early June, Chris Hedges (2020) provided the following summary of where such "donations" went in the United States:

The [Coronavirus Aid, Relief, and Economic Security] CARES Act handed trillions in funds or tax breaks to oil companies, the airline industry, which alone got \$50 billion in stimulus money, the cruise ship industry, a \$170 billion windfall for the real estate industry, private equity firms, lobbying groups, whose political action committees have given \$191 million in campaign contributions to politicians in the last two decades, the meat industry and corporations that have moved offshore to avoid U.S. taxes. The act allowed the largest corporations to gobble up money that was supposed to go to keep small businesses solvent to pay workers. It gave 80 percent of tax breaks under the stimulus package to millionaires and allowed the wealthiest to get stimulus checks that average \$1.7 million. The CARES Act also authorized \$454 billion for the Treasury Department's Exchange Stabilization Fund, a massive slush fund doled out by Trump cronies to corporations that, when leveraged 10 to 1, can be used to create a staggering \$4.5 trillion in assets. The act authorized the [Federal Reserve] to give \$1.5 trillion in loans to Wall Street, which no one expects will ever be paid back.

- On June 17, Pete Dolack (2020) rounded out the picture of corporate and finance-industry “compensation” as this was happening internationally:

The Bank of England has committed £200 billion to quantitative easing (bond buying), £330 billion in loan guarantees for business and an unspecified amount for “short-term liquidity” for the government, among other measures. Separately, Whitehall has committed tens of billions of pounds to three separate loan programs, property tax holidays, direct grants for small firms, grants for “innovation” and other items. For working people? A total of £14.7 billion of additional funding to the National Health Service and £7 billion for increased payments under the Universal Credit scheme and other benefits.... Similar to the United States and United Kingdom, the bulk of money committed by the European Union to shore up the economy during the Covid-19 pandemic is for quantitative easing. The EU has committed to pouring €1.35 trillion into buying private- and public-sector securities by June 2021 under its Pandemic Emergency Purchase Program.

The EU will also offer a €540 billion addition to its European Stability Mechanism, an International Monetary Fund-style loan program under which money is loaned to governments under condition that recipients implement severe austerity.... And on top of the above, the EU has thrown in another €200 billion for businesses. For working people, nothing more than relative crumbs: €37 billion “to support public investment for hospitals, [small businesses], labor markets, and stressed regions” and €100 billion to protect workers and jobs....

Canada has announced multiple programs, including quantitative easing. The Bank of Canada has implemented several QE programs for buying corporate bonds, federal and provincial government bonds, mortgage bonds and commercial paper (short-term debt issued by corporations), as well as programs to provide credit and “support the stability of the Canadian financial system.” The Bank of Canada is not forthcoming about the total cost of these programs; it