

Opening report to Online International May Day Rally

The COVID-19 pandemic: A trigger event in world history

By David North
4 May 2020

We are publishing here the opening report delivered by David North to the 2020 International May Day Online Rally held by the World Socialist Web Site and the International Committee of the Fourth International on May 2. North is the chairman of the International Editorial Board of the WSWs and the national chairman of the Socialist Equality Party in the US.

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Comrades and friends,

We are observing May Day 2020 under solemn conditions. All those who are participating in this meeting are aware of and affected by the tragedy that is unfolding all over the world. The COVID-19 coronavirus pandemic, which began in January, continues to spread rapidly. As of yesterday, nearly 3.4 million cases of infection had been recorded. The total number of deaths, based on official reports, stands at just under 240,000. The real figures are, without question, substantially higher.

This terrible toll, and the certainty that the number of fatal cases will continue to rise rapidly in the days and weeks ahead, is cause for sorrow. Every day, thousands of lives are being cut short. So many of our fellow human beings, who celebrated only recently the New Year, looking forward to the future and having no reason to believe that they had so little time left, were suddenly stricken and, often within just a few days, died.

But along with the sorrow, there is growing anger. The massive loss of life is not simply the product of a biological phenomenon. The response of governments—their lack of preparation, staggering incompetence, and blatant indifference to the lives of working people—is seen all over the world as the product of the subordination of human needs to capitalist profits and the accumulation of personal wealth.

By early January, the developments in Wuhan had been publicly reported and were known throughout the world. The Chinese authorities and medical community were sharing detailed information with their counterparts globally. Later in this meeting, Comrade Peter Symonds will examine the allegations that have been made against China and the efforts to scapegoat that country for the spread of the pandemic and the terrible toll that it has exacted. But let me state at this point that the efforts to shift the blame onto the Chinese fail to explain the utter failure and outright refusal of American, European and other governments to respond quickly and effectively to the pandemic. Critical time was wasted. For the Trump administration, and the bipartisan congressional committees that were responsible for monitoring the pandemic, the issue with which they were primarily concerned was saving Wall Street and global financial markets, not human lives. They pursued a policy that was aptly defined by the *World Socialist Web Site* as “malign neglect.”

Just one month ago, on April 1, the total number of confirmed deaths throughout the world stood at 42,540. In the United States, the death toll

stood at 4,000. By May 1, the global death toll had reached 240,000. In the United States, the number of coronavirus victims is, as of this morning, 65,000. In the course of the 30 days of April, nearly 200,000 people succumbed to the virus. Nearly 60,000 of those victims were Americans. But during those same 30 days, amidst gruesome scenes of death and suffering, the Dow Jones Industrial Average rose more than 30 percent, its most explosive rise in more than 30 years! What is the reason for Wall Street’s celebration of death?

The answer is as follows: In late March Congress passed, with no debate, and Trump signed into law a multitrillion-dollar bailout of the banks, corporations and Wall Street speculators. All the bad debts that had been accumulated during the previous decade were to be covered. The Federal Reserve declared that there would be no limit on the sums that would be expended to support the financial markets. Sums of money so vast as to be beyond comprehension were created by the Federal Reserve’s digital printing presses and handed over, without conditions or restrictions, to the financial-corporate elite. Once the bailout was implemented, the crisis that concerned the ruling class was largely resolved. The impact of the pandemic on the population was of little interest.

The pandemic is a historic event that is exposing the economic, political, social and moral bankruptcy of capitalist society. It is laying bare the unbridgeable chasm that exists between the corporate-financial oligarchs who control and determine the policies of capitalist governments and the needs and interests of the working class.

In its analysis of the present global crisis, the *World Socialist Web Site* has defined the pandemic as a “trigger event.” It can be compared to the assassination of the Austrian Archduke Ferdinand and his wife on June 28, 1914. This incident led rapidly to the outbreak of World War I little more than five weeks later, in early August 1914. Had the assassination not taken place, it is doubtful that war would have come in August. But sooner or later, perhaps in the winter of 1914 or in the following year, the economic and geopolitical contradictions of European and global capitalism and imperialism would have led to a military conflagration. The assassination accelerated the historical process, but it acted upon preexisting and highly inflammable socioeconomic and political conditions. The same can be said of the pandemic.

In the years to come, when historians look back on the Great Pandemic of 2020, they will inevitably ask why this event triggered mass revolutionary struggles of the international working class and a global movement for socialism. Reviewing these events, the scholars will call attention to the failure of the elites to act on the warnings of an impending pandemic made by scientists during the previous two decades. They will take note of the disastrous state of the social infrastructure in the most powerful capitalist country, which left the United States unable to provide

adequate medical care for its citizens. The historians will certainly stress the staggering levels of social inequality, the ravenous greed of the oligarchs, their plunder of national resources, refusal to provide economic relief to the unemployed workers and desperate small businesses, and brutal drive to force a return to work under unsafe conditions. And historians will attempt to explain how and why, at a moment of extreme crisis, the White House was occupied by a sociopathic imbecile.

In response to these questions, the Marxists will explain that the response of the capitalist class to the pandemic was to continue and intensify the same parasitic economic and social policies that it had employed during previous decades to counteract the systemic crisis of the capitalist system. As in earlier historical periods that witnessed profound social transformations, the refusal of the ruling elites to accept any reforms, however necessary, that impinged on their wealth and power made revolution inevitable. Writing of the upheavals of the eighteenth century, the historian R.R. Palmer wrote: "It was conservative resistance in France itself, in large measure, which both precipitated the Revolution and drove it to lengths not originally foreseen." The present-day capitalist aristocracy is behaving no differently than its feudal ancestors, and their actions will produce similar results.

The protracted decay of capitalism has found noxious expression in the process known as financialization, that is, the ever-more extreme separation of the generation of wealth for the corporate-financial parasitical elites, through the expansion of credit, from the process of production. Particularly in the aftermath of the crash of 2008-2009, the Federal Reserve in the United States and central banks in Europe intervened to rescue the bankers, corporations and Wall Street speculators from the consequences of their reckless speculation. The rescue of 2008-2009, known as "quantitative easing," created conditions for the ensuing decade of wild speculation that sent the US and global stock markets soaring to new heights, while intensifying the exploitation of the working class.

The precarious state of the debt-fueled US and global economy had become apparent even before the outbreak of the pandemic. In late 2018, the US Federal Reserve sought to counteract the sudden fall in Wall Street share values by further cuts in interest rates. By the beginning of 2020, share values had reached record highs.

The outbreak of the pandemic, forcing a sudden shutdown of production and the disruption of revenues derived from highly leveraged speculative activities, led to the massive Wall Street sell-off in March. Exposing the fictitious character of Wall Street valuations, trillions of dollars were lopped off share values in a matter of days—faster than any other decline in modern history. The velocity of the collapse exposed the unreal character of the previous rise in equity prices, which, to a great extent, had been fueled by buybacks of corporate shares.

Faced with ruin, the financial-corporate oligarchy again turned to the Federal Reserve with the demand that it be rescued. But this time it required not mere billions, but trillions of dollars. A new version of quantitative easing was created. In the original version, created in response to the crash of 2008, the Fed spent approximately \$80 billion per month buying the distressed assets held on corporate balance sheets.

In the new version of quantitative easing, the asset purchases of the Federal Reserve have been increased to \$80 billion *per day*.

The revenue required to service the Federal Reserve's vast expansion of debt demands the extreme intensification of the exploitation of the working class. It is this necessity that has generated the campaign instigated by the media, for a return to work, even under conditions that threaten the lives of workers.

The handing out of trillions of dollars to the ruling elite not only evokes widespread disgust and anger. It undermines the entire economic and ideological foundation upon which the legitimacy of the capitalist system rests. The capitalist, as is endlessly proclaimed, provides the capital and

takes the risk. Neither of these claims holds water. The financial resources are provided by society, and risk is eliminated with the promise of endless bailouts.

The brutal policies being pursued by the ruling class in response to the pandemic are radicalizing the working class. But this radicalization was well under way before the outbreak of the pandemic. The last several years have witnessed a major escalation of class conflict. In an analysis of social conflict that was published in March, just as the pandemic was making its initial appearance, the Center for Strategic and International Studies (CSIS), a major imperialist think tank, warned:

We are living in an age of global mass protests that are historically unprecedented in frequency, scope and size ...

From Beirut to Barcelona, Hong Kong to Harare, more than 37 countries experienced massive anti-government movements in the first four months of 2019 alone. And over the course of 2019, anti-government protests occurred in 114 countries—31 percent more than a decade ago ...

Notably, advanced economies have not been immune to this wave of upheaval. In fact, civilian anti-government protests grew at a faster rate in Europe and North America than the global average. From the inauguration of President Donald Trump on January 20, 2017 to January 1, 2020, almost 11.5 million Americans participated in 16,000 protests in every US state, which included the five largest demonstrations in US history.

The CSIS makes this troubled prediction:

In a great turn of history, protests have been muted in recent weeks likely due to the outbreak of the novel coronavirus. ... The coronavirus will likely suppress protests in the short term both due to government restrictions in urban areas and citizens' own reluctance to expose themselves to large public gatherings. However, depending on the future course of this likely pandemic, government responses may themselves become another trigger of mass political protest.

The CSIS calls attention to another significant aspect of this upsurge of mass protests:

[O]ne worrisome signature of this era of mass protests is the common link of their leaderless nature. Citizens are losing faith in current leaders, elites, and institutions and taking to the streets in frustration and often disgust.

It is true that a revolutionary Marxist party does not yet stand at the leadership of masses of workers. But the process through which the Marxist—that is, Trotskyist—movement wins the leadership of the masses is maturing rapidly. The growth in the readership of the *World Socialist Web Site*, which now has an international audience of well over a million readers per month, indicates the development of a revolutionary socialist orientation within growing sections of the working class.

In the political orientation of the working class, insisted Leon Trotsky, the founder of the Fourth International, the objective conditions arising out of the crisis of capitalism are the decisive factor. The logic of the class struggle drives the working class toward revolutionary conclusions. Witnessing how the ruling class plunders society, stuffing its bank

accounts with trillions handed over free of charge, the workers are losing respect for the rights of capitalist property. The old prejudices against the seizure of capitalist property are being dissipated.

The words of Marx, written at the conclusion of Volume I of *Das Kapital*, acquire burning actuality in our own epoch: "The knell of capitalist property sounds. The expropriators are expropriated."

Finally, the working class, as it passes through this crisis, can recognize as never before the common struggle and destiny of the laboring mass all over the world. The pandemic is a world experience, requiring a world solution. In the fight against the coronavirus, issues of race, ethnicity, nationality and gender fade into insignificance. The struggle against the pandemic demands the surmounting of all national barriers that inhibit the productive and progressive collaboration of humanity.

There is a deep-felt belief that the world must change. The pandemic has exposed capitalism as an anachronistic social system, a barrier not only to progress in the most general sense, but to the survival of the human species.

Objective conditions impel the working class toward socialist revolution. But that which is objectively possible and necessary must be acted upon. The essential link between the possible and its realization is conscious action. It is not enough to criticize the state of the world. The task is to change it. Therefore, I appeal to all those who are watching and listening throughout the world to make the decision to join us in the fight to build the International Committee of the Fourth International as the World Party of Socialist Revolution.

To contact the WSWWS and the
Socialist Equality Party visit:

<http://www.wsws.org>