Wall Street feasts on death

15 April 2020

Yesterday, April 14, the total worldwide deaths caused by the COVID-19 pandemic passed 126,000. In the United States, more than 2,400 people died on Tuesday, bring the total nationwide number of victims to 26,000. These official numbers are undoubtedly substantially lower than the actual number of people who have died as a result of being infected by the coronavirus.

Not since the 1930s has the United States experienced a crisis on its soil that has had such a devastating impact on the social well-being of the American people. Images show mass graves being dug in New York City, of body bags piling up in Detroit hospitals, of hundreds of cars whose drivers are waiting to collect food to feed their families. Tens of millions of Americans are without an income and lack sufficient savings to cover their mortgages and rent, insurance premiums, interest on outstanding loans, and other inescapable daily, weekly and monthly expenses. More than 16 million people have filed unemployment claims. It will take weeks, if not months, before their jobless checks arrive. The promised payment of $1,200 that was supposedly part of the CARES bill passed last month by Congress has shown up in very few bank accounts.

A social disaster is unfolding, and the media's joyful invocation of "glimmers of hope" bears no relation to reality as it is being experienced by the vast majority of the population. The references to "peaks" and "plateaus" are of a largely hypothetical character. The pandemic is raging throughout the country. For millions who are still on the job, showing up for work means running the serious risk of being exposed to the coronavirus.

And yet, in the midst of this immense crisis, there is one small segment of society that has richly prospered during this time of troubles.

Just over three weeks ago, on March 23, the Dow Jones Industrial Average closed at 18,591. During the previous five weeks, as the seriousness of the pandemic was being gradually and reluctantly acknowledged, the Dow had fallen nearly 35 percent from its February 13 high of 29,551.

Since March 23, two numbers have risen in tandem: COVID-19 deaths and the Dow Jones Industrial Average (along with other major markets averages such as the S&P and NASDAQ).

On March 23, the number of pandemic victims in the US had reached 556. Over the next four days, Congress hastily enacted its multi-trillion-dollar bailout of financial and corporate institutions and investors. The "CARES Act" was signed into law on March 27. On that day, the DJIA closed at 21,636. Expectation of the imminent passage of the bailout had lifted the market nearly 3,000 points in just four days. But between March 23 and March 27, the number of pandemic deaths in the United States nearly tripled, rising to 1,697.

During the week of March 30, there was a further explosive rise in pandemic victims. By Friday, April 3, the number of victims reached 7,139. Throughout the weekend, the media sought to prepare the public for a further rapid rise in the death toll. But there was also a distinct change in the tone of the media narrative. Phrases such as "hopeful signs," "turning the corner," and, inevitably, "glimmers of hope" became part of the media's propaganda repertoire. This was combined with an increasingly aggressive campaign for a more or less rapid return to work.

Throughout the week, the rapid rise in the death toll revealed the expanding dimensions of the social tragedy. The rise in the stock market averages reflected the financial elite's expectation, having been gifted trillions of dollars by the government, that it will profit from this crisis and emerge wealthier and more powerful than ever.

By Monday, April 6, the number of COVID-19 deaths reached 10,895. The Dow closed at 22,679. By

April 9, the death toll had climbed to 16,712. The Dow closed at 23,319. And yesterday, as the number of dead went beyond the staggering 26,000 mark, the investors and speculators joyfully watched the Dow gain another 569 points and close at 23,935.

Let the reader pause over these numbers. Since March 23, the COVID-19 pandemic has claimed, according to official statistics, more than 25,000 lives in the United States. During the same period, the Dow Jones Industrial Average has risen more than 30 percent.

On the surface, there is nothing in the economic news that justifies the extraordinarily rapid rise in the markets. In fact, all available information indicates that the global impact of the pandemic may prove to be as serious and long-lasting as the Great Depression of the 1930s.

Yesterday morning, the International Monetary Fund issued a report titled, “The Great Lockdown: Worst Economic Depression Since the Great Depression.” Written by chief IMF economist Gita Gopinath, the report describes the prevailing situation as “a crisis like no other,” and forecasts a prolonged decline in global economic growth. “This makes the Great Lockdown the worst recession since the Great Depression, and far worse than the Global Financial Crisis [of 2008–2009].” The report continues:

> The cumulative loss to global GDP over 2020 and 2021 from the pandemic crisis could be around 9 trillion dollars, greater than the economies of Japan and Germany, combined.

Clearly, it is not current economic projections that have fueled the euphoria on Wall Street; and it is highly unlikely, as the global contraction grows ever more severe, that the current rally can be sustained. But for the time being, the euphoria is being driven by the trillions of dollars of free and unsupervised money that is being provided by the Federal Reserve; and by the expectation that the crisis will provide the corporate-financial oligarchy within the United States as well as in Europe with an opportunity to restructure the capitalist economy and class relationships in a manner that facilitates the accelerated transfer of wealth into the coffers of the capitalist class.

But there is another factor that will counteract the euphoria; and that is the growing social resistance of the working class, which is developing its own ideas about how the America and global economy should be restructured and wealth redistributed.

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