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An Interview about the Coronavirus Pandemic

“Capitalism is a Disease Hotspot”

Yaak Pabst interviews Rob Wallace

How dangerous is the new coronavirus?

It depends on where you are in the timing of your local outbreak of Covid-19: early, peak level, late? How good is your region's public health response? What are your demographics? How old are you? Are you immunologically compromised? What is your underlying health? To ask an undiagnosable possibility, do your immuogenetics, the genetics underlying your immune response, line up with the virus or not?

So all this fuss about the virus is just scare tactics?

No, certainly not. At the population level, Covid-19 was clocking in at between 2 and 4% case fatality ratio or CFR at the start of the outbreak in Wuhan. Outside Wuhan, the CFR appears to drop off to more like 1% and even less, but also appears to spike in spots here and there, including in places in Italy and the United States. Its range doesn't seem much in comparison to, say, SARS at 10%, the influenza of 1918 5–20%, avian influenza H5N1 60%, or at some points Ebola 90%. But it certainly exceeds seasonal influenza's 0.1% CFR. The danger isn't just a matter of the death

rate, however. We have to grapple with what's called “penetrance” or community attack rate: how much of the global population is penetrated by the outbreak.

Can you be more specific?

The global travel network is at record connectivity. With no vaccines or specific antivirals for coronaviruses, nor at this point any herd immunity to the virus, even a strain at only 1% mortality can present a considerable danger. With an incubation period of up to two weeks and increasing evidence of some transmission before sickness—before we know people are infected—few places would likely be free of infection. If, say, Covid-19 registers 1% fatality in the course of infecting four billion people, that's 40 million dead. A small proportion of a large number can still be a large number.

Those are frightening numbers for an ostensibly less than virulent pathogen!

Definitely and we are only at the beginning of the outbreak. It's important to understand that many new infections change over the course of epidemics. In some cases,

infectivity, virulence, or both may attenuate. In others, outbreaks may ramp up in virulence. The first wave of the influenza pandemic in the spring of 1918 was a relatively mild infection. It was the second and third waves that winter and into 1919 that killed millions.

But pandemic skeptics argue that far fewer patients have been infected and killed by the coronavirus than by the typical seasonal flu. What do you think about that?

I would be the first to celebrate if this outbreak proves a dud. But these efforts to dismiss Covid-19 as a possible danger by citing other deadly diseases, especially influenza, is a rhetorical device to spin concern about the coronavirus as badly placed.

So the comparison with seasonal flu is limping?

It makes little sense to compare two pathogens on different parts of their epicurves. Yes, seasonal influenza infects many millions worldwide each other, killing, by WHO estimates, up to 650,000 people a year. Covid-19, however, is only starting its epidemiological journey. And unlike influenza, we have neither vaccine, nor herd immunity to slow infection and protect the most vulnerable populations.

Even if the comparison is misleading, both diseases belong to viruses, even to a specific group, the RNA viruses. Both Covid-19 and the seasonal flu can cause disease, affect the mouth and throat area (and sometimes also the lungs), and are quite

contagious—correct?

Those are superficial similarities that miss a critical part in comparing two pathogens. We know a lot about influenza's dynamics. We know very little about Covid-19's. They're steeped in unknowns. Indeed, there is much about Covid-19 that is even unknowable until the outbreak plays out fully. At the same time, it is important to understand that it isn't a matter of Covid-19 versus influenza. It's Covid-19 and influenza. The emergence of multiple infections capable of going pandemic, attacking populations in combos, should be the front and center worry.

You have been researching epidemics and their causes for several years. In your book 'Big Farms Make Big Flu' you attempt to draw these connections between industrial farming practices, organic farming and viral epidemiology. What are your insights?

The real danger of each new outbreak is the failure or—better put—the expedient refusal to grasp that each new Covid-19 is no isolated incident. The increased occurrence of viruses is closely linked to food production and the profitability of multinational corporations. Anyone who aims to understand why viruses are becoming more dangerous must investigate the industrial model of agriculture and, more specifically, livestock production. At present, few governments, and few scientists, are prepared to do so. Quite the contrary.

When the new outbreaks spring up, governments, the media, and even most of the medical establishment are so focused on each separate emergency that they dismiss the structural causes that are driving

multiple marginalised pathogens into sudden global celebrity, one after the other.

Who is to blame?

I said industrial agriculture, but there's a larger scope to it. Capital is spearheading land grabs into the last of primary forest and smallholder-held farmland worldwide. These investments drive the deforestation and development leading to disease emergence. The functional diversity and complexity these huge tracts of land represent are being streamlined in such a way that previously boxed-in pathogens are spilling over into local livestock and human communities. In short, capital centers, places such as London, New York, and Hong Kong, should be considered our primary disease hotspots.

For which diseases is this the case?

There are no capital-free pathogens at this point. Even the most remote are affected, if distally. Ebola, Zika, the coronaviruses, yellow fever again, a variety of avian influenzas, and African swine fever in hog are among the many pathogens making their way out of the most remote hinterlands into peri-urban loops, regional capitals, and ultimately into the global travel network. From fruit bats in the Congo to killing Miami sunbathers in a few weeks' time.

What is the role of multinational companies in this process?

Planet Earth is largely Planet Farm at this point, in both biomass and land used. Agribusiness is aiming to corner the food market. The near-entirety of the neoliberal project is organised around supporting efforts by companies based in the more advanced industrialised countries

to steal the land and resources of weaker countries. As a result, many of those new pathogens previously held in check by long-evolved forest ecologies are being sprung free, threatening the whole world.

What effects do the production methods of agribusinesses have on this?

The capital-led agriculture that replaces more natural ecologies offers the exact means by which pathogens can evolve the most virulent and infectious phenotypes. You couldn't design a better system to breed deadly diseases.

How so?

Growing genetic monocultures of domestic animals removes whatever immune firebreaks may be available to slow down transmission. Larger population sizes and densities facilitate greater rates of transmission. Such crowded conditions depress immune response. High throughput, a part of any industrial production, provides a continually renewed supply of susceptibles, the fuel for the evolution of virulence. In other words, agribusiness is so focused on profits that selecting for a virus that might kill a billion people is treated as a worthy risk.

What?!

These companies can just externalise the costs of their epidemiologically dangerous operations on everyone else. From the animals themselves to consumers, farmworkers, local environments, and governments across jurisdictions. The damages are so extensive that if we were to return those costs onto company balance sheets, agribusiness as we know it would be ended forever. No

company could support the costs of the damage it imposes.

In many media it is claimed that the starting point of the coronavirus was an exotic food market in Wuhan. Is this description true?

Yes and no. There are spatial clues in favor of the notion. Contact tracing linked infections back to the Hunan Wholesale Sea Food Market in Wuhan, where wild animals were sold. Environmental sampling does appear to pinpoint the west end of the market where wild animals were held.

But how far back and how widely should we investigate? When exactly did the emergency really begin? The focus on the market misses the origins of wild agriculture out in the hinterlands and its increasing capitalisation. Globally, and in China, wild food is becoming more formalised as an economic sector. But its relationship with industrial agriculture extends beyond merely sharing the same moneybags. As industrial production—hog, poultry, and the like—expand into primary forest, it places pressure on wild food operators to dredge further into the forest for source populations, increasing the interface with, and spillover of, new pathogens, including Covid-19.

Covid-19 is not the first virus to develop in China that the government tried to cover it up.

Yes, but this is no Chinese exceptionalism. The U.S. and Europe have served as ground zeros for new influenzas as well, recently H5N2 and H5Nx, and their multinationals and neocolonial proxies drove the emergence of Ebola in West Africa and Zika in Brazil. U.S. public health officials covered for agribusiness

during the H1N1 (2009) and H5N2 outbreaks.

The World Health Organisation (WHO) has now declared a health emergency of international concern. Is this step correct?

Yes. The danger of such a pathogen is that health authorities do not have a handle on the statistical risk distribution. We have no idea how the pathogen may respond. We went from an outbreak in a market to infections splattered across the world in a matter of weeks. The pathogen could just burn out. That would be great. But we don't know. Better preparation would better the odds of undercutting the pathogen's escape velocity.

The WHO's declaration is also part of what I call pandemic theater. International organisations have died in the face of inaction. The League of Nations comes to mind. The UN group of organisations is always worried about its relevance, power, and funding. But such actionism can also converge on the actual preparation and prevention the world needs to disrupt Covid-19's chains of transmission.

The neoliberal restructuring of the health care system has worsened both the research and the general care of patients, for example in hospitals. What difference could a better funded healthcare system make to fight the virus?

There's the terrible but telling story of the Miami medical device company employee who upon returning from China with flu-like symptoms did the righteous thing by his family and community and demanded a local hospital test him for Covid-19. He worried that his minimal Obamacare option wouldn't cover the tests. He was right. He was

suddenly on the hook for \$3270. An American demand might be an emergency order be passed that stipulates that during a pandemic outbreak, all outstanding medical bills related to testing for infection and for treatment following a positive test would be paid for by the federal government. We want to encourage people to seek help, after all, rather than hide away—and infect others—because they can't afford treatment. The obvious solution is a national health service—fully staffed and equipped to handle such community-wide emergencies—so that such a ridiculous problem as discouraging community cooperation would never arise.

As soon as the virus is discovered in one country, governments everywhere react with authoritarian and punitive measures, such as a compulsory quarantine of entire areas of land and cities. Are such drastic measures justified?

Using an outbreak to beta-test the latest in autocratic control post-outbreak is disaster capitalism gone off the rails. In terms of public health, I would err on the side of trust and compassion, which are important epidemiological variables. Without either, jurisdictions lose their populations' support. A sense of solidarity and common respect is a critical part of eliciting the cooperation we need to survive such threats together. Self-quarantines with the proper support—check-ins by trained neighborhood brigades, food supply trucks going door-to-door, work release and unemployment insurance—can elicit that kind of cooperation, that we are all in this together.

As you may know, in Germany with the AfD we have a de facto Nazi party with 94 seats in parliament. The hard Nazi Right and other groups in association with AfD politicians use the Coronavirus Crisis for their agitation. They spread (false) reports about the virus and demand more authoritarian measures from the government—restriction flights and entry stops for migrants, border closures and forced quarantine.

Travel bans and border closures are demands with which the radical right wants to racialise what are now global diseases. This is, of course, nonsense. At this point, given the virus is already on its way to spreading everywhere, the sensible thing to do is to work on developing the kind of public health resilience in which it doesn't matter who shows up with an infection, we have the means to treat and cure them. Of course, stop stealing people's land abroad and driving the exoduses in the first place, and we can keep the pathogens from continually emerging.

What would be sustainable changes?

In order to reduce the emergence of new virus outbreaks, food production has to change radically. Farmer autonomy and a strong public sector can curb environmental ratchets and runaway infections. Introduce varieties of stock and crops—and strategic rewilding—at both the farm and regional levels. Permit food animals to reproduce on-site to pass on tested immunities. Connect just production with just circulation. Subsidise price supports and consumer purchasing programs supporting

agroecological production. Defend these experiments from both the compulsions that neoliberal economics impose upon individuals and communities alike and the threat of capital-led State repression.

What should socialists call for in the face of the increasing dynamics of disease outbreaks?

Agribusiness as a mode of social reproduction must be ended for good if only as a matter of public health. Highly capitalised production of food depends on practices that endanger the entirety of humanity, in this case helping unleash a new deadly pandemic. We should demand food systems be socialised in such a way that pathogens this dangerous are kept from emerging in the first place. That will require reintegrating food production into the needs of rural communities first. That will require agroecological practices that protect the environment and farmers as they grow our food. Big picture, we must heal the metabolic rifts separating our ecologies from our economies. In short, we have a planet to win.

Thank you very much for the interview.

[The two questions below were added to an Italian translation of the interview for Jacobin, a New York-based socialist quarterly magazine—Editor.]

I would like you to add a comment about the recent proposal of the UK authorities not to take drastic measures to contain the virus and to bet on the development of the herd immunity instead. You wrote: this is a failure that pretends to be a solution. Can you explain that?

The Tories are asserting joining the U.S. in effectively denying health care is the best active cure. The government is looking at parlaying its late response into letting Covid-19 work through the population to produce the herd immunity it says will protect the most vulnerable.

This is the utter opposite of “do no harm,” as the doctor’s oath goes. This is let’s do maximum damage.

Herd immunity is treated in epidemiological circles as at best a dirty collateral benefit of an outbreak. Enough people carry antibodies from the last outbreak to keep the susceptible population low enough that no new infection could support itself, protecting even those who haven’t been previously exposed. It’s often no more than a passing effect, however, if the pathogen in question evolves out from underneath the population blanket.

We do better in inducing such immunity by campaigns in vaccination. Typically such an effect requires a wide majority of people vaccinated to work. Which, outside market failures in producing vaccines, is routinely no problem as nearly no one dies from them.

Given the trail of dead of a deadly pandemic, no public health system would actively seek out such a post-hoc epiphenomenon as an instrumental objective. No government charged with protecting a population’s very lives would allow such a pathogen to run unimpeded—whatever handwaving is made about “delaying” spread as if a government already a step behind in responding can exercise such magical control. A campaign of active neglect would kill hundreds of thousands of the very vulnerable the Tories claim they wish to protect.

But destroying the village to save it is the core premise of a State of the most virulent class character. It’s the sign of an exhausted empire that, unable to follow China and other countries in putting up a fight, pretends, as I wrote, that its failures are exactly the solution.

In Italy despite the quarantine and apart from the few who are working from home, a lot of workers still go to work everyday. Many shops are closed but most of the factories are open, even those which don’t produce necessary goods. Recently, the trade unions and the federation of the Italian employers have reached an agreement about safety and security measures at the workplace, which gives to the companies only “recommendations” about distance, cleanness, use of masks, without much specification. There are strong reasons to believe they will not be respected. What’s your take on that? Is the relative power of workers an epidemiological variable?

Working people are treated as cannon fodder. Not only on the battlefield, but back home. Here you have a virus ripping through the Italian population at a rate that exceeds that of the pace it went through China, and capital is pretending it is business—their business—as usual. Negotiating a detente that permits this work to continue without biolab-level precautions is destructive both to workers’ standing—you’re signaling you’ll eat any bowl of shit they serve up—and to the very health of the nation.

If not for your unions’ very legitimacy, then for your very lives, and those of your most vulnerable co-workers and community members:

shut those factories down! Italy’s spike in cases is so dizzying that self-quarantine and negotiated working conditions won’t be enough to quash the outbreak. Covid-19 is too infectious and under a medical gridlock too deadly for half-measures. Italy is being invaded by a virus that is kicking the country’s ass, with street fighting door-to-door and home-to-home.

What I’m getting at is that Italy needs to snap the fuck out of it already!

Yes, workers routinely hold up the sky during dark and dangerous days, including during a deadly outbreak. But if the work isn’t a matter of the day-to-day operations required during communal quarantine, shut it down. As in countries around the world, the government must then be held responsible for covering the salaries of the workers who have walked off the job in service of the nation’s public health.

It’s not my call, and my own country is totally botching its response to the pandemic, but should capital resist such efforts to protect the lives of millions, working Italians—as working people elsewhere—should consider tapping into their proud history of labor militancy and find a means by which to wrestle operative command from the greedy and incompetent. If factories producing non-essential goods are still running, that means management and the moneybags behind them don’t give a fuck about you. Even now the chief financial officer upstairs is proving himself more than happy to fold in dead workers into the costs of production if he can get away with it.

It wouldn’t be the first time the people of the region pushed back during an outbreak. Historian

Sheldon Watts (in *Epidemics & History*) noted one unexpected reversal in early disaster capitalism:

“In their rush to save themselves [from plague] by flight, Florentine magistrates worried that the common people left behind would seize control of the city; the fear was perhaps justified. In the summer of 1378 when factional disputes temporarily immobilised the Florentine elite, rebellious woolworkers won control of the government and remained in power for several months.”

Several months today might save many thousands of lives. With many countries ten days out from finding themselves in Italy’s predicament, working Italians can offer an example for the rest of the world that the lives of everyday people matter more than somebody else’s profit.

(Rob Wallace is an evolutionary biologist and public health phylogeographer and author of several books. He has consulted for the Food and Agriculture Organisation of the United Nations and the Centers for Disease Control and Prevention.)

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Italy and UK Rely on Help from Cuba, China, Venezuela to Fight Coronavirus – as US Steps Up Brutal Sanctions

Ben Norton

The sanctions that the United States has imposed on dozens of countries around the world, in an attempt to overthrow their independent governments, have only made the global coronavirus pandemic worse. But at the same time, some of these nations targeted by US economic warfare have taken the lead in the effort to contain the Covid-19 outbreak.

In fact, the local government in the north of Italy, a member of the European Union and NATO, has officially requested medical help from China, Cuba, and Venezuela—all countries demonised by the United States and EU, which in turn have provided Italy with little support.

The Italian government lamented that “not a single EU country” has responded to its request for medical equipment—unlike China, which immediately helped.

And it is not just Italy; Britain and France and other European countries are also relying on China and Cuba to help them battle the contagious virus.

The northern Italian region of Lombardy has been particularly hard hit by coronavirus, with tens of thousands of cases and more than 1,000 deaths. The pandemic has devastated the region, which is the richest and most populous area in the country.

On March 15, Italy recorded 368 new deaths in just one day—more than the deadliest day in Wuhan, China, which successfully contained the virus.

In response to the crisis, Lombardy’s government requested that China, Cuba, and Venezuela send doctors and other medical personnel to help to contain the outbreak.

“We are in touch with Cuba, Venezuela, and China, who have made doctors available,” said Lombardy’s health minister, Giulio Gallera, in a press conference.

Havana’s embassy declared “Cuban solidarity with Italy,” and Cuba’s Foreign Affairs Ministry published a notice confirming Gallera’s request and announcing it will be sending “Cuban personnel specialised in dealing with contagious diseases.”

The local government in the major Italian city Milan has also relied on shipments of medical equipment from China.

A team of Chinese doctors along with 30 tons of medical equipment arrived in Italy on March 12.

European Union abandons Italy, after pushing privatisation of health systems

The European Union, on the other hand, has left Italy out to dry.

Italy’s ambassador to the EU, Maurizio Massari, published an op-ed noting that his country requested support through the body’s Mechanism of Civil Protection, seeking medical equipment to contain the coronavirus outbreak.

“But, unfortunately, not a single EU country responded to the Commission’s call. Only China

responded bilaterally,” Massari wrote.

In fact the European Union has done the opposite of help. The European Commission, which leads the EU, called on member states to cut medical spending and privatise health services at least 63 times between 2011 to 2018.

The EU’s obsession with cutting and privatising state institutions has greatly weakened the continent’s health infrastructure, making it much more susceptible to deadly pandemics like coronavirus.

China sending million masks & gloves to France

China is shipping one million surgical masks and gloves to France as the EU member struggles to contain the coronavirus, with Europe becoming the new focal point of the global pandemic.

French Foreign Minister Jean-Yves Le Drian confirmed the shipments on Wednesday, March 11, in an interview with France’s BFM TV. The first of two planes has already arrived via Belgium and a second will arrive on Thursday, he said.

China helps Serbia, Spain, Iran, Iraq, Africa

Caught off guard by the EU’s ban on medical exports, Serbia found help in China as it struggled to prepare for the Covid-19 outbreak. Serbia received five million masks from China that it couldn’t get in Europe and an offer to send doctors to help tackle the disease, the Serbian president said, adding that it has become clear that European solidarity is a myth.

As President Aleksandar Vucic declared a national emergency on Sunday (March 8), he had some

scalding remarks for the EU. The crisis has proven that European solidarity, only exists “on paper,” Vucic said, citing the ban on the export of medical equipment and supplies imposed by EU members to non-EU countries in response to the outbreak.

“Only China can help us in this situation”, the Serbian leader added, saying he recently wrote a letter to China’s President Xi Jinping “asking him for help and calling him a brother.”

China has also sent medical missions and shipments of supplies to Spain, Iraq and Iran. It has also sent medical help to several countries in Africa.

Beijing has been praised by the World Health Organisation for its efforts against the coronavirus. Authorities responded to the outbreak by building new hospitals in a matter of days and locking down Hubei province, which has a population of 58 million, to contain the spread of the disease.

Despite its efforts to step up and aid other hard-hit countries, China has faced a barrage of negative media coverage in the West, with Trump administration officials repeatedly referring to Covid-19 as the “Chinese virus” and the “Wuhan virus” given the fact that it originated there in December.

Britain relies on Cuban help to dock coronavirus-infected ship

Cuba has been under an illegal US embargo since 1960—which every country in the world (excluding Israel) votes to denounce each year at the United Nations. But this blockade has not stopped the small country from developing the best health system in all of Latin America.

Even the United Kingdom, one of the richest countries on the planet, has relied on Cuban help to contain the coronavirus.

The British government asked numerous countries in the Caribbean to let the cruise ship MS Braemar dock in their port, after there were several reports of coronavirus among its more than 1,000 passengers.

CNN noted that “British officials launched an intense diplomatic effort to find a country willing to take the” infected ship, but were rejected by Barbados and the Bahamas.

On March 16, Cuba agreed to assist Britain, offering to dock the MS Braemar in a Cuban port and help fly the passengers back to the UK.

Cuba’s Foreign Affairs Ministry declared in a statement, “These are times of solidarity, of understanding health as a human right, of strengthening international cooperation to face our common challenges, values that are key to the humanist practices of the Revolution and of our people.”

US fights for control of potential coronavirus treatment and vaccine

While Cuba, China, and Venezuela—countries targeted by US economic warfare—are helping the world contain the coronavirus outbreak, Washington itself is working overtime to monopolise any potential treatments, so it can profit from them.

A California-based pharmaceutical corporation, Gilead Sciences, has developed an experimental drug that medical experts think could potentially treat coronavirus.

The Chinese government’s Wuhan Institute of Virology applied for a patent so it can produce this

drug, which is called remdesivir. But the US company has been fighting tooth and nail to prevent Beijing from being able to manufacture it.

Why? Because Gilead Sciences' stocks are skyrocketing, and investors are saying the corporation may soon be making a fortune.

The US government has also tried to bribe a German medical company that may be on the verge of developing a coronavirus vaccine.

President Donald Trump reportedly offered “large sums of money” to the German firm, CureVac, so that the United States could have exclusive rights to the treatment—which it could then sell to the rest of the world.

US sanctions prevent Venezuela and Iran from importing medicine and medical equipment

And while the Trump administration and US pharmaceutical companies are seeking to profit from the coronavirus pandemic, Washington is doubling down on its destructive economic warfare.

Venezuela's attorney general, Tarek William Saab, gave a press conference denouncing Washington for preventing Caracas from buying medicine and medical equipment that would help it fight Covid-19.

US sanctions have also greatly hindered Iran's effort to fight Covid-19. Hundreds of Iranians have died, with thousands more affected, and Washington has prevented the country from buying much-needed medicine and medical equipment.

Iran's foreign minister, Javad Zarif, denounced the US sanctions as a form of “medical terrorism.”

“Efforts to fight COVID19 pandemic in Iran have been severely hampered by US sanctions,” Zarif added. “It is IMMORAL to let a bully kill innocents.” In a letter to Secretary-General António Guterres, Zarif called on the United Nations and member states to ignore the “inhuman US sanctions” on Iran and push for them to be lifted.

China has also forcefully spoken out against the US sanctions on Venezuela and Iran. In a press conference on March 13, a spokesman for China's Foreign Affairs Ministry, Geng Shuang,

condemned Washington's blockade of Caracas.

“At a crucial moment in which the governments and peoples of all countries are fighting together against the epidemic of a new coronavirus, the American side, however, is determined to continue shaking the stick of sanctions against Venezuela, which is going against the minimum spirit of humanity,” the Geng said.

The Chinese government spokesperson likewise denounced US sanctions on Iran. Noting that Beijing had sent a team of medical experts to help Iran contain Covid-19, the Foreign Affairs Ministry added, “We urge the US to immediately lift unilateral sanction on Iran. Continued sanction is against humanitarianism and hampers Iran's epidemic response.”

(Ben Norton is a journalist and writer. He is a reporter for The Grayzone, and the producer of the Moderate Rebels podcast, which he co-hosts with Max Blumenthal. We have edited the article using inputs from an article by Countercurrents Collective.)

Cuba and the Concept of Community of Nations

Bill Hackwell

Some years ago I was talking to a Cuban doctor about what a remarkable achievement it was that Cuba was able to eliminate Malaria in 1973. He took the discussion in stride and said that it didn't mean much until we eradicate Malaria in the entire world.

Today Cuba is proving once again that their view of health and battling diseases is one that is global in scope and despite living under the unilateral 60-year-old US

blockade, with additional sanctions coming their way daily, they always rise to the occasion and go beyond their own capacity to assist when a disaster or a global pandemic hits like the COVID-19 gripping the world now.

Cuba helps Britain

Yesterday the Cuban government authorised a British cruise ship carrying five people with confirmed cases of COVID-19 and another 40

in isolation with flu-like symptoms, to dock at a port on the island. Since the end of February the MS Braemar, with 682 passengers and 381 crew members aboard, most of them from Britain, has been floating around the Caribbean after being turned away by a number of countries, including Barbados and the Bahamas, which are both part of the British Commonwealth—an irony not lost on some passengers. “We should all remember what #Cuba

has done for us, stepping in when none of the British Commonwealth countries and protectorates in the region offered any help,” tweeted one passenger aboard the Braemar, Steve Dale.

Cuba is now collaborating with the British government to attend to those who are infected while arranging evacuation flights from Cuba to the UK for all the passengers as soon as possible.

Britain’s Foreign Minister Dominic Raab expressed gratitude on Tuesday (March 10) in parliament to Communist-run Cuba for offering a safe haven to the Braemar, after several Caribbean ports refused to let it dock.

Cuba sends help to countries around the world

A major contribution that Cuba is making in the struggle against COVID-19 is with its anti-viral medicine Interferon Alpha 2B, developed in 1986. It has proved to be effective for viruses with characteristics similar to those of coronavirus, and is credited with saving 1,500 people from the virus in China alone. Alpha 2B is being produced in large quantities in China in a Cuban–Chinese joint venture not based on profit but for making supplies available to all countries.

The Cuban medication Interferon Alpha 2B has been requested by more than ten countries.

Socialist Cuba has also sent a medical team to Italy to help the EU-member fight coronavirus. Cuban medical personnel have also been sent to Venezuela, Jamaica, and other nations along with supplies of the Interferon. Meanwhile, Cuba’s producer of medicines Bio-CubaFarma is producing 21 other compatible medicines for the treatment of complications that may arise in patients with COVID-19.

Meanwhile, the US approach ...

On the other end of the spectrum from Cuba’s collaborative global approach to fighting disease and illness is the entitled one nation, where’s the money to be made, the approach of the US. As more cases add up in the US not only is there no national plan there isn’t even a serious attempt to test to find out who is ill and who isn’t. States and communities are left to figure it out by themselves, hundreds of thousands of homeless, people locked up in prisons and uninsured are completely vulnerable and exposed to the disease while the focus and direction is geared towards protecting the economy and in particular the stock market. The Trump Administration had two and a half months to get it together since the outbreak of the virus manifested itself in Wuhan China, instead, they went into racist finger-pointing and denial. In January the World Health Organisation had testing kits available that they offered to the government but Trump declined so that the pharmaceutical corporations could produce them for profit and we are still waiting. The initial cost for the testing was around \$3,000.

... and at the other end, Cuba’s selfless help

The gesture that Cuba made to help the people on the British cruise ship came with no strings or pats on the back needed. It is a small incident in the big picture of what is going on in the world now but it says a lot about Cuba’s concept of the community of nations. In explaining the gesture Cuba’s Ministry of Foreign Affairs issued a statement that said, “These times call for solidarity, understanding health as a human right and strengthening international cooperation in order to address our common challenges;

values that are inherent to the humanist practice of the Cuban Revolution and people”.

A March 18, 2020 datelined *Granma* report, headlined “A Safe Port Amidst Adversity” said:

“The humanitarian and altruistic dimensions of the events could make them stuff of a movie scene. The crew of the MS Braemar, owned by the British Fred Olsen cruise line, spent several days sailing the Caribbean with passengers aboard suffering coronavirus infections.

“Despite diplomatic efforts by the UK government, the ship was refused entry to several ports in the region. But there was nothing fictional about the urgent situation of passengers, including the sick whose lives were endangered, with the rest facing possible infection, in the middle of the ocean.

“Cuba said yes, and offered a safe port in the midst of adversity, with modesty, not seeking headlines in the media, for absolutely nothing in return. Such a decision perhaps generated incomprehension on the part of some, those who are unaware of the value of a helping hand during a catastrophe.

“But, for most Cubans, the opportunity to help fills us with patriotic pride, with the emotion only understandable by women and men of good will in all latitudes. Because in ‘times of coronavirus,’ the words ‘help, cooperate, work together’ should be the norm, across the planet. Because human civilisation should understand, once and for all, that only together can we overcome common challenges and tragedies.

“Cuba, true to its principles, could not act otherwise, nor is this the first time we have done so. Solidarity is in the genes of the Cuban people. It is part of our unique identity and has written memorable chapters in our history.

“Perhaps for these reasons, in the time of Covid-19, the eyes of the world look hopefully to Cuba, and our people, who despite hardships and a fierce blockade, did not hesitate to respond.”

Cuba’s solidarity with the people of the world

Other countries are sending thousands of military personnel to Europe to conduct the most extensive maneuvers since the Cold War, while leading an insulting campaign against Cuban medical collaboration around the world. Cuba’s response? An army of white coats at the service of the dispossessed: more than 400,000 health professionals who, over 56 years, have carried out missions in 164 nations.

Women and men from this Caribbean island have faced Ebola in Africa, blindness in Latin America and the Caribbean with Operation Miracle, and cholera in Haiti. Twenty-six Cuban brigades from the Henry Reeve International Contingent of Doctors Specialised in Disasters and Major Epidemics—recognised with the Dr. Lee Jongwook Public Health Award, granted by the Executive Council of the World Health Organisation—helped during difficult times in Pakistan, Indonesia, Mexico, Ecuador, Peru, Chile and Venezuela, among others.

Martí said: “Cuba does not go around the world begging. She goes as a sister and works with authority as such. By saving herself, she saves.” Then and now, and into the future.

[Bill Hackwell is an organiser with the International Committee for Peace Justice and Dignity and an editor for the English edition of Resumen Latinoamericano. We have expanded this article with inputs from an article by Countercurrents Collective]

Cuba’s Contribution to Combating COVID-19

Helen Yaffe

COVID-19 surged in the Chinese city of Wuhan in late December 2019, and by January 2020 it had hit Hubei province like a tidal wave, swirling over China and rippling out overseas. The Chinese state rolled into action to combat the spread and to care for those infected. Among the thirty medicines the Chinese National Health Commission selected to fight the virus was a Cuban anti-viral drug, Interferon Alpha 2b. This drug has been produced in China since 2003, by the enterprise ChangHeber, a Cuban-Chinese joint venture.

Cuban Interferon Alpha 2b has proven effective for viruses with characteristics similar to those of COVID-19. Cuban biotech specialist Dr. Luis Herrera Martinez explained, “its use prevents aggravation and complications in patients, reaching that stage that ultimately can result in death.” Cuba first developed and used interferons to arrest a deadly outbreak of the dengue virus in 1981, and the experience catalysed the development of the island’s now world-leading biotech industry.

The world’s first biotechnology enterprise, Genetech, was founded in San Francisco in 1976, followed by AMGen in Los Angeles in 1980. One year later, the Biological Front, a professional interdisciplinary forum, was set up to develop the industry in Cuba. While most developing countries had little access to the new technologies (recombinant DNA, human gene therapy, biosafety), Cuban biotechnology expanded and took on an increasingly strategic role in both the public health sector and the national economic development

plan. It did so despite the US blockade obstructing access to technologies, equipment, materials, finance, and even knowledge exchange. Driven by public health demand, it has been characterised by the fast track from research and innovation to trials and application, as the story of Cuban interferon shows.

Interferons are “signaling” proteins produced and released by cells in response to infections that alert nearby cells to heighten their anti-viral defenses. They were first identified in 1957 by Jean Lindenmann and Aleck Isaacs in London. In the 1960s Ion Gresser, a US researcher in Paris, showed that interferons stimulate lymphocytes that attack tumors in mice. In the 1970s, US oncologist Randolph Clark Lee took up this research.

Catching the tail end of US President Carter’s improved relations with Cuba, Dr. Clark Lee visited Cuba, met with Fidel Castro, and convinced him that interferon was the wonder drug. Shortly afterwards, a Cuban doctor and a hematologist spent time in Dr. Clark Lee’s laboratory, returning with the latest research about interferon and more contacts. In March 1981, six Cubans spent twelve days in Finland with the Finnish doctor Kari Cantell, who in the 1970s had isolated interferon from human cells and had shared the breakthrough by declining to patent the procedure. The Cubans learned to produce large quantities of interferon.

Within forty-five days of returning to the island, they had produced their first Cuban batch of interferon, the quality of which was

confirmed by Cantell's laboratory in Finland. Just in time, it turned out. Weeks later Cuba was struck by an epidemic of dengue, a disease transmitted by mosquitos. It was the first time this particularly virulent strand, which can trigger life-threatening dengue hemorrhagic fever, had appeared in the Americas. The epidemic affected 340,000 Cubans with 11,000 new cases diagnosed every day at its peak. 180 people died, including 101 children. The Cubans suspected the CIA of releasing the virus. The US State Department denied it, although a recent Cuban investigation claims to provide evidence that the epidemic was introduced from the US.

Cuba's Ministry of Public Health authorised the use of Cuban interferon to halt the dengue outbreak. It was done at great speed. Mortality declined. In their historical account, Cuban medical scientists Caballero Torres and Lopez Matilla wrote, "It was the most extensive prevention and therapy event with interferon carried out in the world. Cuba began to hold regular symposia, which quickly drew international attention." The first international event in 1983 was prestigious; Cantell gave the keynote speech and Clark attended with Albert Bruce Sabin, the Polish American scientist who developed the oral polio vaccine.

Convinced about the contribution and strategic importance of innovative medical science, the Cuban government set up the Biological Front in 1981 to develop the sector. Cuban scientists went abroad to study, many in Western countries. Their research took on more innovative paths, as they experimented with cloning interferon. By the time Cantell

returned to Cuba in 1986, the Cubans had developed the recombinant human Interferon Alfa 2b, which has benefited thousands of Cubans since then. With significant state investment, Cuba's showpiece Center for Genetic Engineering and Biotechnology (CIGB) was opened in 1986. By then Cuba was submerged in another health crisis, a serious outbreak of Meningitis B, which further spurred Cuba's biotechnology sector.

In 1976, Cuba was struck by Meningitis B and C outbreaks. Since 1916 only a few isolated cases had been seen on the island. Internationally, vaccines existed for Meningitis A and C, but not for B. Cuban health authorities secured a vaccine from a French pharmaceutical company to immunise the population against type C Meningitis. However, in the following years, cases of type B Meningitis began to rise. A team of specialists from different medical science centers was established, led by a woman biochemist, Concepción Campa, to work intensively on finding a vaccine.

By 1984 Meningitis B had become the main health problem in Cuba. After six years of intense work, Campa's team produced the world's first successful Meningitis B vaccine in 1988. A member of Campa's team, Dr. Gustavo Sierra, recalled their joy: "this was the moment when we could say it works, and it works in the worst conditions, under pressure of an epidemic and among people of the most vulnerable age." During 1989 and 1990, three million Cubans, those most at risk, were vaccinated. Subsequently, 250,000 young people were vaccinated with the VA-MENGOC-BC vaccine, a combined Meningitis

B and C vaccination. It recorded 95% efficacy overall, with 97% in the high-risk three months to six years age group. Cuba's Meningitis B vaccine was awarded a UN Gold Medal for global innovation. This was Cuba's meningitis miracle.

"I tell colleagues that one can work thirty years, fourteen hours a day just to enjoy that graph for ten minutes," Agustin Lage, Director of the Center for Molecular Immunology (CIM), told me, referring to an illustration of the rise and sudden fall of Meningitis B cases in Cuba. "Biotechnology started for this. But then the possibilities of developing an export industry opened up, and today, Cuban biotechnology exports to fifty countries."

Since its first application to combat dengue fever, Cuba's interferon has shown its efficacy and safety in the therapy of viral diseases including Hepatitis B and C, shingles, HIV-AIDS, and dengue. Because it interferes with viral multiplication within cells, it has also been used in the treatment of different types of carcinomas. Time will tell if Interferon Alfa 2b proves to be the wonder drug as far as COVID-19 goes.

(Helen Yaffe is Lecturer in Economic and Social History, University of Glasgow.)

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America Doesn't Have a Public Health System

Robert Reich

Dr. Anthony S Fauci, director of the National Institute of Allergy and Infectious Diseases and just about the only official in the Trump administration trusted to tell the truth about the coronavirus, said last Thursday: “The system does not, is not really geared to what we need right now ... It is a failing, let's admit it.”

While we're at it, let's admit something more basic. The system would be failing even under a halfway competent president. The dirty little secret, which will soon become apparent to all, is that there is no real public health system in the United States.

The ad hoc response fashioned late Friday by House Democrats and the White House may help a bit, although it's skimpy, as I'll explain.

As the coronavirus outbreak in the US follows the same grim exponential growth path first displayed in Wuhan, China, before herculean measures were put in place to slow its spread there, America is waking up to the fact that it has almost no public capacity to deal with it.

Instead of a public health system, we have a private for-profit system for individuals lucky enough to afford it and a rickety social insurance system for people fortunate enough to have a full-time job.

At their best, both systems respond to the needs of individuals rather than the needs of the public as a whole. In America, the word “public”—as in public health, public education or public welfare—means a sum total of individual needs, not

the common good.

Contrast this with America's financial system. The Federal Reserve concerns itself with the health of financial markets as a whole. Late last week the Fed made \$1.5 trillion available to banks at the slightest hint of difficulties making trades. No one batted an eye.

When it comes to the health of the nation as a whole, money like this isn't available. And there are no institutions analogous to the Fed with responsibility for overseeing and managing the public's health—able to whip out a giant checkbook at a moment's notice to prevent human, rather than financial, devastation.

Even if a test for the Covid-19 virus had been developed and approved in time, no institutions are in place to administer it to tens of millions of Americans free of charge. Local and state health departments are already barebones, having lost nearly a quarter of their workforce since 2008, according to the National Association of County and City Health Officials. *(And, we'd like to add: Funding for the US Centers for Disease Control and Prevention or CDC's Public Health Emergency Preparedness (PHEP) program, the key financing mechanism for state and local public health emergency preparedness, has been cut by a third since 2003. —Editor)*

Healthcare in America is delivered mainly by private for-profit corporations which, unlike financial institutions, are not required to maintain reserve capacity. As a result, the nation's supply of ventilators isn't nearly large enough to care for projected numbers of

critically ill coronavirus victims unable to breathe for themselves. Its 45,000 intensive care unit beds fall woefully short of the 2.9 million that are likely to be needed.

The Fed can close banks to quarantine financial crises but the US can't close workplaces because the nation's social insurance system depends on people going to work.

Almost 30% of American workers have no paid sick leave from their employers, including 70% of low-income workers earning less than \$10.49 an hour. Vast numbers of self-employed workers cannot afford sick leave. Friday's deal between House Democrats and the White House won't have much effect because it exempts large employers and offers waivers to smaller ones.

Most jobless Americans don't qualify for unemployment insurance because they haven't worked long enough in a steady job, and the ad-hoc deal doesn't alter this. Meanwhile, more than 30 million Americans have no health insurance. Eligibility for Medicaid, food stamps and other public assistance is now linked to having or actively looking for work.

It's hard to close public schools because most working parents cannot afford childcare. Many poor children rely on school lunches for their only square meal a day. In Los Angeles, about 80% of students qualify for free or reduced lunches and just under 20,000 are homeless at some point during the school year.

There is no public health system in the US, in short, because the richest nation in the world has no capacity to protect the public as a

whole, apart from national defense. Ad-hoc remedies such as House Democrats and the White House fashioned on Friday are better than nothing, but they don't come close to filling this void.

(Robert Reich is Chancellor's Professor of Public Policy at the University of California at Berkeley and Senior Fellow at the Blum Center.)

Margaret Kimberley adds, in an article, "Freedom Rider: Corona Virus and the failed American State":

The United States has none of the systems or infrastructure that would allow it to accomplish what China has done to fight mass infection. The reason is that it is capitalism that doesn't work well when human needs must be met. The for-profit system in the USA certainly rakes in cash for insurance companies and big pharma. But health care outcomes are mediocre at best and other countries do a far better job for far less money. The most basic needs of patients and health care workers are often unmet. Health care workers complain they haven't received proper training to protect themselves even as they treat COVID-19 patients... The failed state doesn't have enough of the tests needed to diagnose COVID-19 and those who manage to be tested and treated can be charged up to \$3,000 for what ought to be a right and free of charge.

While the highly touted capitalist system can't provide enough hand sanitisers, the governor of New York came up with a solution. Andrew Cuomo announced that the state will produce hand sanitiser made by prison labor. The product called NYS Clean will be provided to public agencies in the state. The inmates at

Great Meadow Correctional Facility are paid between 16 and 65 cents for their work. It is typical for the United States to turn to its most exploitative system to meet a basic need.

The irony isn't lost on anyone who is paying attention. The greatest nation cuts the public resource which would have mitigated the effects of COVID-19, continues its profit making system that causes suffering even as it is supposed to bring health, and then uses prison slave labor to do what the much vaunted system cannot.

Donald Trump famously referred to global south nations as "shithole countries." In fact the

shithole country is the one that he governs. The United States excels in putting people behind bars, as the New York inmates can attest. It can make weapons and invade nations. The police kill more people and the cost of health care is the worst in the world. But woe unto us if we need to save our lives from illness. COVID-19 is a new illness presenting new problems, but this country doesn't care for its people in the best of times. COVID-19 is again making that clear.

(Margaret Kimberley's lives in New York City, and writes for Black Agenda Report.)

COVID-19: All Truth Has Three Stages

Larry Romanoff

First, it is ignored.

Second, it is widely ridiculed.

Third, it is accepted as self-evident.

With COVID-19, we have now entered Stage 2. At first, the media ignored the claims and accumulating mountain of evidence that the virus originated in the US. But the spread of information and restatements of evidence from all sides, including in the US itself, has become too intense and now the claims are being openly ridiculed in the Western media.

Briefly, Chinese virologists discovered conclusively that the original source of the virus was not China, nor Wuhan, nor the seafood market, but had in fact been traced to the US, the most probable scenario being that the virus might have originated at the US Military's bio-weapons lab at Fort Detrick (which was shut down by the CDC in July, because of outbreaks), and brought

to China during the World Military Games.

Also, Japanese and Taiwanese virologists arrived independently at the conclusion—that the virus could have originated in the US.

The Americans did their best from before the beginning to deflect culpability by crafting tales of bats, snakes, pangolins, the seafood market, the Wuhan University being a bio-weapons facility (which it is not), and the CIA tale leaked through the VOA and Radio Free Asia that the virus leaked from that university. They stated (factually) that Chinese researchers had participated (7 years ago) in similar virus research funded by the US NIH, thus somehow insinuating Chinese culpability, ignoring that the prior research was irrelevant to current events.

I must say the Americans have proven to be very skillful in grabbing the microphone first, to create an

“official” narrative of a current event while flooding the media with sufficient finger-pointing to preclude a gullible public the time to logically assemble the pieces on their own.

They ignored the very real fact that few nations would either create or release a biological weapon that attacks primarily itself. They ignored too, the geopolitical likelihood of an “end game”—that a virus is a powerful weapon of economic warfare, able to do to China’s economy what a trade war could not do.

Casual readers tend to ignore the fact that, in the American mentality, there are many solid geopolitical reasons to attack China, Iran, and Italy, the remaining countries merely constituting unfortunate collateral damage.

Many virus articles containing this and similar information had been published by second-tier internet news sites, some articles gaining enormous readership with hundreds of thousands of downloads and much re-posting. Many of these articles have been translated into 6 or 7 languages and published on websites all around the world. Simultaneously, many posts were made on Chinese social media speculating on the odd circumstances and long chain of unusual coincidences that led to the virus outbreak in Wuhan.

One of the articles referred to above, was translated and posted on Chinese social media and gathered 76,000 comments in the first 8 hours. Eventually, the major Chinese media outlets made the same claims—that the virus could have originated in the US and that the Americans were engaging in a massive cover-up.

Then, Zhao LiJian, a spokesman for China’s Foreign Ministry, made the story official, through a number of

posts on US social media. One major media article, this in the NYT, noted that “Zhao’s remarks were spread on China’s most prominent social media platform, Weibo ... [and] had been viewed more than 160 million times, along with screenshots of the original Twitter posts.

It seems LiJian’s Twitter posts, being essentially an official source that could not easily be ignored, claiming the virus was brought to China from the US during the Military Games, and demanding an explanation from the US, were receiving too much public attention to be ignored. All of the above created sufficient political pressure to force the Western media to respond. And of course they responded by ignoring the facts of the message and trashing the messenger.

On March 12, the UK *Guardian* ran a story claiming China was “pushing propaganda” about the virus coming from the US. On March 13, the *New York Times* ran a similar story of a “China coronavirus conspiracy” of false claims about the source of the virus. Then, on March 14, ABC News ran a story titled “False claims about sources of coronavirus cause spat between the US, China”, in which it ridiculed China and the claims of a US-virus.

The *Seattle Times* published a version of the story, stating, “China is pushing a new theory about the origins of the coronavirus: It is an American disease ... introduced by members of the U.S. Army who visited Wuhan in October. There is not a shred of evidence to support that, but the notion received an official endorsement from China’s Ministry of Foreign Affairs, whose spokesman accused American officials of not coming clean about what they know about the disease.”

The *UK Independent* published their own version of “China’s conspiracy theory”, as did CNN.

The *ABC* article claimed that “Assistant Secretary David Stilwell gave [Chinese] Ambassador Cui Tiankai a “very stern representation of the facts,” claiming Cui was “very defensive” in the face of this “official” American assault. The US State Department is quoted as having said, “We wanted to put the [Chinese] government on notice we won’t tolerate [conspiracy theories] for the good of the Chinese people and the world.”

Following that, the *Washington Post*, Bloomberg, and half a dozen other press wires and media outlets have contacted this author for interviews, eager for an opportunity to trash this ‘conspiracy theory’ at its source. The US Embassy in Beijing also “reached out” to the author “to talk about it”.

If the public information campaign and the resulting political pressure can continue, we will eventually enter stage three where the media will begin admitting first the possibility, then the likelihood, then the fact, of the US being the source of the “China” virus.

(Larry Romanoff is a retired management consultant and businessman. He has held senior executive positions in international consulting firms, and owned an international import-export business.)

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The COVID-19 Debt Deluge

Jayati Ghosh

Pandemics like COVID-19, alarming and destructive as they are, can serve a useful purpose if they remind everyone of the critical importance of public health. When a contagious disease strikes, even a society's most protected elites must worry about the health of neglected populations. Those who have advocated privatisation and cost-cutting measures that deny health care to the most vulnerable now know that they did so at their own peril. A society's overall health depends on the health of its poorest people.

More immediately, though, the COVID-19 crisis could have many severe economic effects, possibly pushing the global economy into recession. Supply chains are being disrupted, factories are being closed, entire regions are being locked down, and a growing number of workers are struggling to secure their livelihoods. These developments will all lead to mounting economic losses. A world economy already suffering from insufficient demand—owing to rising wealth and income inequality—is now vulnerable to a massive supply-side shock.

Another potential consequence of the pandemic is less recognised but potentially more important: increased financial fragility, implying the potential for a debt crisis and even a broader financial collapse. After COVID-19 is contained and policies are implemented to ease the situation, supply chains will be restored and people will return to work with the hopes of recovering at least some of their lost incomes. But that real economic recovery could be

derailed by unresolved financial and debt crises.

Today's financial fragility far predates the COVID-19 "black swan." Given the massive accumulation of debt in both developed and developing countries since the 2008 financial crisis, it has long been clear that even a minor event—some "known unknown"—could have far-reaching destabilising effects. Yet, until recently, rising asset prices—owing to a long period of extraordinarily loose monetary policies in advanced economies—disguised mounting debt levels. As the recent scare in global equity markets indicates, asset bubbles cannot last forever. By contrast, in the absence of active public pressure or state intervention to facilitate their resolution, debts do not deflate on their own.

A recent analysis by the United Nations Conference on Trade and Development shows how sustained debts could pose a larger problem for the global economy and financial system. In 2018, the total debt (private, public, domestic, and external) across developing countries was equal to almost twice their combined GDP—the highest it has ever been. Particularly concerning is the build-up of private debt by non-financial corporations, which now amounts to nearly three-quarters of total debt in developing countries (a much higher ratio than in advanced economies). According to UNCTAD, inherently volatile "foreign shadow financial institutions" have played a major role in fueling this accumulation, such that around one-third of private

non-financial corporate debt in developing countries (with the exception of China) is denominated in foreign currency and held by external creditors.

Worse, more sovereign-debt repayments on short-maturity international bonds will soon be due. And foreign-exchange reserves, which have declined in many emerging markets and developing economies as a result of recent capital outflows, will be less robust in the face of further outflows as bond markets become more fraught.

These financial conditions, which would be worrying in the best of times, could spell disaster in the event of even a relatively mild economic shock. But now we are in the midst of a severe shock. Consider Asia's emerging economies, which are deeply integrated financially and economically with China—the epicenter of COVID-19—and thus highly vulnerable. Dramatic decreases in exports, disruptions to the sourcing of raw materials and intermediate goods, and rapid declines in travel and tourism are already having severe employment effects across Asia's economies. And now these adverse outcomes are being compounded by financial concerns over the region's already high debt levels.

After all, Asian financial markets were vulnerable even before the current shock, owing to falling margins, higher risks, and an excessive dependence on banks and shadow banking (a problem that has already been exposed in India). Worse, a significant share of stressed debt in the region is held by energy,

industrial, and utility companies, all of which are directly affected by recent output and oil-price declines. With equity markets swooning, capital buffers have been further diminished.

These problems cannot be contained by policies adopted in any one country. More than ever, the global community needs leadership to address the immediate effects of the coronavirus pandemic and its economic fallout. In addition to coordinated fiscal spending across countries, we urgently need to tackle the debt crisis that will soon unfold. It is time to start thinking about debt resolution and restructuring.

As Turkish economist Sabri Öncü has suggested, we can start by taking our cue from the London debt agreement of 1953, which dramatically altered economic conditions for Germany, at that time a major debtor. The agreement between Germany and 20 external creditors wrote off 46% of the country's prewar debt and 52% of its postwar debt, while the remaining debt was converted into long-term low-interest loans with a five-year grace period before repayment. Most significantly, Germany had to repay its debt only if it ran a trade surplus, and all repayments were limited to 3% of annual export earnings. This

encouraged Germany's creditors to be vested in its export success, creating the conditions for the subsequent boom.

This is the type of forward-thinking, coordinated debt-resolution strategy that is essential in today's interconnected world. If we are collectively to survive not just the normal depredations of global markets, but also the existential threats posed by pandemics and climate change, there is no alternative.

(Jayati Ghosh is Professor of Economics at Jawaharlal Nehru University in New Delhi.)

After Bloody Day, Coronavirus Meltdown Continues

Yves Smith

There are so many wheels coming off that analysts and the business press is on coronavirus crisis overload. And unlike 2008, the Fed can't save anyone from the Grim Reaper.

Due to being time constrained, we'll give only a broad brush treatment.

As bad as things look, the press is oddly underplaying the big economic risk that could move the world rapidly in the Great Depression direction: the collapse of the Italian banking system. Eurobanks would almost certainly be engulfed. They are generally undercapitalised. The EU dithered after the crisis. First, it implemented half-baked resolution schemes that if anything increase the risk of bank runs, then repeatedly rejected Italian pleas for help or rule waivers. The EU had a huge row merely trying to fill the upcoming Brexit-induced budget gap. It would take a massive bailout to rescue

Italy's banks, either in the form of large scale direct aid to Italians to keep the country solvent, or to its banking system.

The lockdown of Italy will kill just about all commerce. Hardly any business are allowed to remain open. Retail, restaurants, entertainment, non-essential businesses, all shuttered. Italy's economy had already shrunk 10% post crisis. The country's economic base is small and medium-sized businesses, many of which are barely getting by because Italy's banks are letting them get away with zombified loans.

CNN politely calls the likely result of the shutdown a "deep recession". No D words allowed!

"Italy has imposed sweeping nationwide restrictions on travel and public life, a desperate attempt to contain the coronavirus outbreak that looks set to plunge the world's eighth largest economy into a steep recession.

"The measures announced late Monday include travel restrictions on 60 million residents, a ban on public events, the closure of schools, movie theaters, museums and gyms, and limits on opening hours for restaurants, bars and shops... The restrictions are in place until at least April 3.

"Taken together, the unprecedented measures are likely to push an economy that contracted in the final three months of 2019 into a sharper downturn that will put Italian hotels, travel companies and restaurants under intense pressure."

How does the country function? Yes, the government is allowing mortgages to go unpaid. But what about business rents? Income for expenses like food and gas? This is a massive shock to an already distressed economy.

Some members of the press have taken note. For instance, from *Euromoney*:

“Italy’s financial sector and public finances are uniquely vulnerable to the Covid-19 crisis. Business loans, above all, are under threat, as Italy’s economic structure is particularly reliant on small and medium-sized businesses, while its judicial system has routinely proved itself incapable of processing collateral claims sufficiently quickly.

“Italian household debt is better-placed, as residential mortgages are less common and loan-to-value ratios lower than elsewhere in Europe, analysts say.

“Davide Serra, Italian founder and chief executive of financial institutions specialist Algebris Investments, believes that there is little chance of a 2008-style liquidity crisis in Italy, or elsewhere in Europe’s banking sector...

“The biggest question, everyone agrees, is how long the downturn in demand will be. If it is brief, will people start spending again after a month or two, making up for lost spending by using what they have saved while in isolation? ‘If not, we are talking about going back to the Middle Ages: no company will survive,’ says Stefano Visalli, founder of Oxy Capital, an SME-focused private equity company in Milan.”

The article admittedly has some ideas as to what might be done, but with a hole this big, the only real remedy is serious fiscal spending and the EU is allergic to that.

From the *Guardian*:

“Italy is the eurozone’s weak link... The issue is not whether Italy will have a recession....

“Nor is it really a question of how deep the downturn will be... Were the economy to remain effectively immobilised until the end of June, he says there could be a 4.5% drop in output in the second

quarter....

“That said, for the rest of Europe Italy is a country that is too big to fail. So what’s really at stake is not whether Italian GDP contracts by 1.5% or 4.5% in the second quarter but whether its financial crisis proves contagious. As it might.

“Charles Dumas, of TS Lombard, says: ‘The banking system is unlikely to be able to remain solvent or liquid in the current conditions of nationwide lockdown. The tourist industry is effectively dead for 2020. Fiscal stimulus could be counterproductive if, as is possible, investors demand a much wider credit spread to accept fresh Italian paper. Italy will need massive support from eurozone partners to avoid going the way of Greece...’

“Instead, the onus is on individual governments and the European commission to show that they have learned lessons from the counterproductive obsession with the budgetary orthodoxy that delayed the eurozone’s recovery from the 2008-09 financial crisis.”

In the meantime, let us quickly acknowledge the stomach-churning events so far:

- **Trump managed to make a bad situation worse with his speech last night.** No serious detail on what to do to save lives, save the lame idea of a travel ban from Europe, which means effectively flights to Europe too. Even though the ban can be circumvented by flying through London or Dublin, that move still gave the already sick oil markets another kick in the teeth. For instance, from Bloomberg:
 - Sue Trinh, global macro strategist at Manulife Investment Management in Hong Kong: “All the ‘solutions’ we are seeing from the powers that

be are reminiscent of the great financial crisis. Bailing out the zombies while structural issues surrounding allocation of resources remain—liquidity does not control the spread of this virus. Where are the hospital beds, ICUs, doctors, medical equipment and vaccine R&D?”

- **US stock futures are already limit down, so expect another air pocket market open.**
- **Congress is channeling the ghost of Andrew Mellon.** From *The Hill*:
 - A push to cut the payroll tax as part of an effort to revive the economy is facing steep headwinds on Capitol Hill. Trump has spent days making the pitch publicly, as well as privately, as Washington is under growing pressure to try to shore up the stock market, which has plummeted this week over growing concerns about the growing coronavirus outbreak. House Democrats are set to unveil an economic response package that does not include a payroll tax cut. Meanwhile, Senate reactions range from deep skepticism to, in some cases, outright opposition, raising questions about whether a plan could ever reach Trump’s desk. So the Republicans don’t like spending and the Democrats don’t want to give Trump a win, particularly this year.

Aside from that, Mrs. Lincoln, how was the play?

(Yves Smith has spent 25 years in finance. His blog, Naked Capitalism, is a highly-ranked and admired website focusing on the economy and finance.)

Press Release**Denying Interim Bail To Anand Teltumbde and Gautam Navlakha Is Alarming**

Statement by MRSD on Supreme Court's rejection of pre-arrest bail plea of Anand Teltumbde and Gautam Navlakha in the Bhima Koregaon violence case.

Mumbai Rises to Save Democracy (MRSD) is deeply disappointed with the Supreme Court's rejection of the plea by Anand Teltumbde and Gautam Navlakha seeking anticipatory bail in the cases registered against them in relation to the violence at Bhima Koregaon on 1st January 2018. Their arrest is imminent in next three weeks. Nine other activists and intellectuals who have been accused in this case and charged with sections of the draconian Unlawful Activities Prevention Act (UAPA) have been imprisoned since 2018.

The top court's order to deny interim bail is alarming given that the case against the activists is based on very thin evidence. Moreover, the cyber forensic analysis by credible investigative journalists and technical experts discredit the evidence used by Pune police to incriminate the activists. The analysis reveals that the letters which were allegedly recovered from the hard disk of Rona Wilson, one of the nine activists accused in the case, and used by the police to link the accused to a banned political party are most likely to have been planted in the disk through use of malware which allowed remote access to Wilson's computer. This clearly indicates manipulation of evidence and the fabricated nature of the case.

The government is sparing few chances for truth to emerge in this case. In January 2020, more

than a year after the chargesheets were filed by the Pune police, the Union Home ministry got the case suddenly transferred to the National Investigation Agency (NIA) and thus brought the case under its control at a time when the Home department in the newly formed Maha Vikas Aghadi government in Maharashtra had announced a review of the case, setting up of a Special Investigating Team (SIT) and dropping of the false cases against the activists.

While full-blown attempts are being made by the government to incriminate the eleven intellectuals in a fabricated case, the investigation into the role of Hindutva brigade led by Milind Ekbote and Manohar Bhide in carrying out planned organised attacks on Dalits at Bhima Koregaon has come to a standstill. The state government's failure to set up a SIT shows that the real perpetrators of violence are being shielded from prosecution.

These developments in the case and now the rejection of pre-arrest bail to two of the stalwarts of the democratic rights movement in the country on the grounds of what is not just flimsy but manipulated evidence shows the desperation of the government to repress democratic voices and spread a sense of fear amongst those who oppose the anti-people policies and actions of the Hindutva Fascist regime. MRSD extends its solidarity to the eleven activists who have been relentless defenders of human rights and people's movements in this country and who now stand wrongly accused in this conspiracy case. We also reiterate our resolve to continue to

struggle for their release and for the pursuit of truth about the violence unleashed on the peaceful Dalit-Bahujan masses at Bhima Koregaon.

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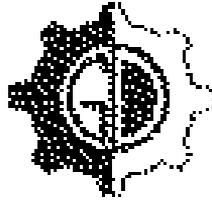
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