

The ventilator shortage, capitalism and the fight for socialist planning

Jerry White
6 April 2020

Over the last week, nurses in New York, California and other states, along with General Electric workers in Massachusetts, have demanded that the production of personal protective equipment and life-saving ventilators be massively ramped up to address critical shortages. It has been widely reported that the US has less than 200,000 ventilators, although 900,000 or more may be needed, according to the Society for Critical Care Medicine.

The shortage of breathing machines in Italy, Spain and other countries led to thousands of avoidable deaths, and New York City officials have announced they will run out of ventilators by Wednesday.

US governors are already competing against each other and the federal government for dwindling supplies, while hospitals are putting two patients on breathing machines designed for one. This is inherently dangerous because if one patient requires changes in the volume of oxygen, pressure or other settings, it could cause severe lung damage or worse to the other.

President Trump has responded with typical ignorance and contempt to requests for supplies from the National Strategic Stockpile, suggesting that states are exaggerating the need and probably hoarding machines. On Saturday, the president sought to dismiss the question of shortages altogether, suggesting that the availability of ventilators would do little to lessen the death toll.

“The question I most hate the answer to,” he said, “is what happens if you do have a ventilator? What are your chances?”

A University of Washington study of Seattle-area COVID-19 patients recently published in the *New England Journal of Medicine* found a fatality rate of 50 percent for intubated patients. Put in another way, breathing machines *can* save at least half of those who would otherwise die!

The survival rate would be even higher if there was systematic testing and those diagnosed with COVID-19 were given immediate medical care, rather than staying at home and being admitted to the hospital only after suffering severe respiratory deterioration.

“When I have an early diagnosis and can treat patients early—for example, put them on a ventilator before they deteriorate—the chance of survival is much higher,” Professor Hans-Georg Kräusslich, the head of virology at University Hospital in Heidelberg, one of the leading research hospitals in Germany, told the *New York Times*.

Despite Trump’s declaration that he is a “wartime president” and his invoking of the Defense Production Act against GM, there is no World War II-style mobilization of America’s industrial capacity to produce life-saving ventilators. In 1942, the Roosevelt administration banned civilian auto production, forced the auto industry to pool and convert its tools and its factories and mobilize hundreds of thousands of workers to produce tanks, planes and other weapons of war. This was part of the conversion of one-half of the gross national product of the United States to wartime production.

Today what is needed is the mass production not of the instruments of

death, but of life. Millions of workers are willing and able to work to build ventilators, protective gear for healthcare workers and other necessities, if they are well protected themselves. As one Fiat Chrysler worker said, “We could be mobilized to do what we have to do to save lives. In China, they built hospitals in 10 days. But the urgency is not there. They are dragging their feet while people are dying.”

The greatest obstacle to building and distributing ventilators is the subordination of healthcare to the profit interests of the giant medical equipment, hospital and pharmaceutical companies. The proposals by the US automakers and several medical device makers to ramp up production, which have been touted by Trump and the news media, are woefully inadequate.

The auto industry certainly has the capacity to retool and ramp up production. General Motors, Ford and Fiat Chrysler operate 100 assembly and other manufacturing plants in the US, Canada and Mexico and oversee a vast global network of component suppliers and logistics. One analyst recently noted that in just 48 hours, GM had sourced all 600 components that make up a ventilator through its own system of suppliers.

However, only a handful of auto plants are being utilized and the numbers of ventilators being produced will be too little and too late.

For example, Ford Motor Co. is teaming up with GE Healthcare, a large ventilator producer, to employ 500 autoworkers, who have volunteered to work on the project, to build ventilators at a Ford plant in Rawsonville, Michigan. But the joint effort is on schedule to produce only 50,000 ventilators by July, months after the peak of the pandemic in the US from mid-April to mid-May, and too late to avert thousands of deaths.

General Motors is partnering with a small Seattle-based company, Ventec Life Systems, which shipped only 250 units last month, to produce breathing machines at a plant in Kokomo, Indiana. Ventec CEO Chris Kiple told *NBC News*, “We plan to be producing together over 1,000 units by the end of April and, of course, with GM’s talent and skill, we’ll be ramping up to 3,000, 5,000 and 10,000.”

The major preoccupation of the automakers is not stockpiling ventilators but getting workers back into the factories as soon as possible, despite the threat to their lives, to stockpile vehicles and generate future profits.

At the same time, the major medical device manufacturers have been reluctant to disclose business secrets and patents to facilitate the mass production of their ventilators. In a recent forum sponsored by the industry-funded Center for Automotive Research, Colin Dhillon, chief technical officer of the Automotive Parts Manufacturing Association in Canada, said, “When we talk to these medical companies to help ramp up their volumes, one of their concerns was, what is going to stop you from staying in this and becoming a competitor. To which you have to answer that is up to every company and only share the IP (intellectual property) that you feel you can share.”

Ten global medical device companies control the production of ventilators: Becton, Dickinson and Co. (US); Philips (Netherlands); Hamilton Medical AG (Switzerland); Fisher & Paykel Healthcare (New

Zealand); Draegerwerk (Germany); Medtronic (US); GE Healthcare (US); Smiths Group (UK); ResMed (US) and Maquet (Germany).

These companies “are able to sell ventilators as fast as they come off existing assembly lines now,” one writer on the website ArsTechnica recently wrote, “but big increases in ventilator output will require companies to make expensive investments in new manufacturing capacity.” He continued, “That’s a risky bet because the investments might become worthless if the coronavirus crisis peters out in a few months.”

In addition, hospitals have been reluctant to purchase the machines, which cost between \$25,000 and \$50,000 apiece. “Hospitals are holding back from ordering more medical ventilators,” the *Washington Post* recently wrote, “because of the high cost for what may be only a shortterm spike in demand from the coronavirus epidemic, supply chain experts and health researchers say, intensifying an anticipated shortage of lifesaving equipment for patients who become critically ill.”

As far back as 13 years ago, the US Department of Health and Human Services (HHS) convened a panel of experts to develop a new generation of lower-cost, mobile and easier-to-use ventilators, the *New York Times* reported. Code-named Project Aura, the plan was to buy as many as 40,000 ventilators to add to the national stockpile.

In 2010, the Obama administration paid \$6.1 million in up-front money to a small California manufacturer, Newport Medical Instruments, to produce the ventilators. By 2013, after a series of prototypes, the company was ready to roll out the machines. In May 2012, however, a larger medical device manufacturer, Covidien, had bought out Newport for \$100 million.

Covidien produced its own line of more expensive ventilators and did not deem the development of inexpensive portable ventilators to be a top priority. It soon scrapped the project without a single ventilator being added to the national stockpile. Government officials and executives at rival ventilator companies “suspected that Covidien had acquired Newport to prevent it from building a cheaper product that would undermine Covidien’s profits from its existing ventilator business,” the *Times* wrote.

In a gross understatement, the newspaper added, “The stalled efforts to create a new class of cheap, easy-to-use ventilators highlight the perils of outsourcing projects with critical public-health implications to private companies; their focus on maximizing profits is not always consistent with the government’s goal of preparing for a future crisis.”

In the course of the wave of mergers and acquisitions of the past decade, Covidien was bought out by Minnesota-based Medtronic, which switched its legal registration to Ireland to avoid paying taxes.

While the pandemic is producing death and sorrow for millions, it is seen as a giant profit opportunity for the medical device companies and Wall Street. In a March 18 note to investors, Tim Smith, a professional trader and former employee of Goldman Sachs, Merrill Lynch, Citigroup and Morgan Stanley, recommended buying stocks in Medtronic, ResMed and St. Louis-based Allied Healthcare Products, saying, “Traders should add these three ventilator manufacturer stocks to their watchlist as the illness spreads and the demand for respiratory products grows.”

The bipartisan stimulus package signed by Trump will hand over trillions more to Wall Street and the giant corporations, which spent the bulk of the profits they made since the 2008-09 bailout on stock buybacks and dividend payments for their wealthiest investors and executives.

Despite the warnings of the deadly consequences of ventilator shortages—including a June 2017 report by the US Centers for Disease Control and Prevention (CDC)—the US government, under both Republican and Democratic administrations, has refused to invest in ventilators, even as trillions were spent on corporate payouts and endless wars. The cost of producing one million fully featured ventilators is roughly the same as the \$50 billion the government spends each year on “homeland security.”

Only a massive mobilization of society’s human and material resources in the US and around the world can halt the current pandemic and prevent new ones. As the Socialist Equality Party wrote in its program of action for the working class:

The essential principle that must guide the response to the crisis is that the needs of working people must take absolute and unconditional priority over all considerations of corporate profit and private wealth. It is not a matter of what the ruling class claims it can afford, but what masses of people need.

There is already a spreading movement of workers around the world demanding the closure of nonessential workplaces and the provision of the necessary equipment to protect those workers engaged in critical industries, including health care, food preparation and delivery, sanitation and public transit. In the face of the campaign to rush autoworkers and other workers into infected plants, workers are insisting that “our lives matter” and their health must take precedence over corporate profit.

In every workplace needed for essential production and services, workers should organize rank-and-file committees, independent of the United Auto Workers and other corrupt unions, to demand universal testing and the provision of masks, gloves and other protective gear. These committees should monitor safety conditions in conjunction with medical professionals.

Plans must be drawn up to audit all available productive capacity, regardless of the individual company or country, and coordinate the retooling of factories, global supply chains, logistics and the use of manpower. All business secrets must be abolished, and any executives engaged in price-gouging and other antisocial activities held to account.

This crisis has exposed the incompatibility of public health with for-profit medicine and the private control of the hospitals, pharmaceutical and insurance corporations. This system must be replaced with socialized medicine, guaranteeing free and equal health care to all.

Nor can the production and distribution of ventilators and other medical equipment be left in the hands of giant corporations. Instead, the auto and medical device industries should be nationalized, with no compensation to the CEOs and big shareholders, and transformed into public utilities democratically controlled and collectively owned by working people.

These necessary measures can only be accomplished if the rising opposition of workers is guided by a socialist political perspective and strategy, aimed at replacing the capitalist government and its two corporate-controlled parties with a workers’ government committed to the allocation of resources based on human need not private profit. This pandemic has shown that the fight for socialism is now a life-and-death matter.

We urge workers to join the Socialist Equality Party to take this program to the broadest sections of the working class.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact