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RESEARCH REPORTS

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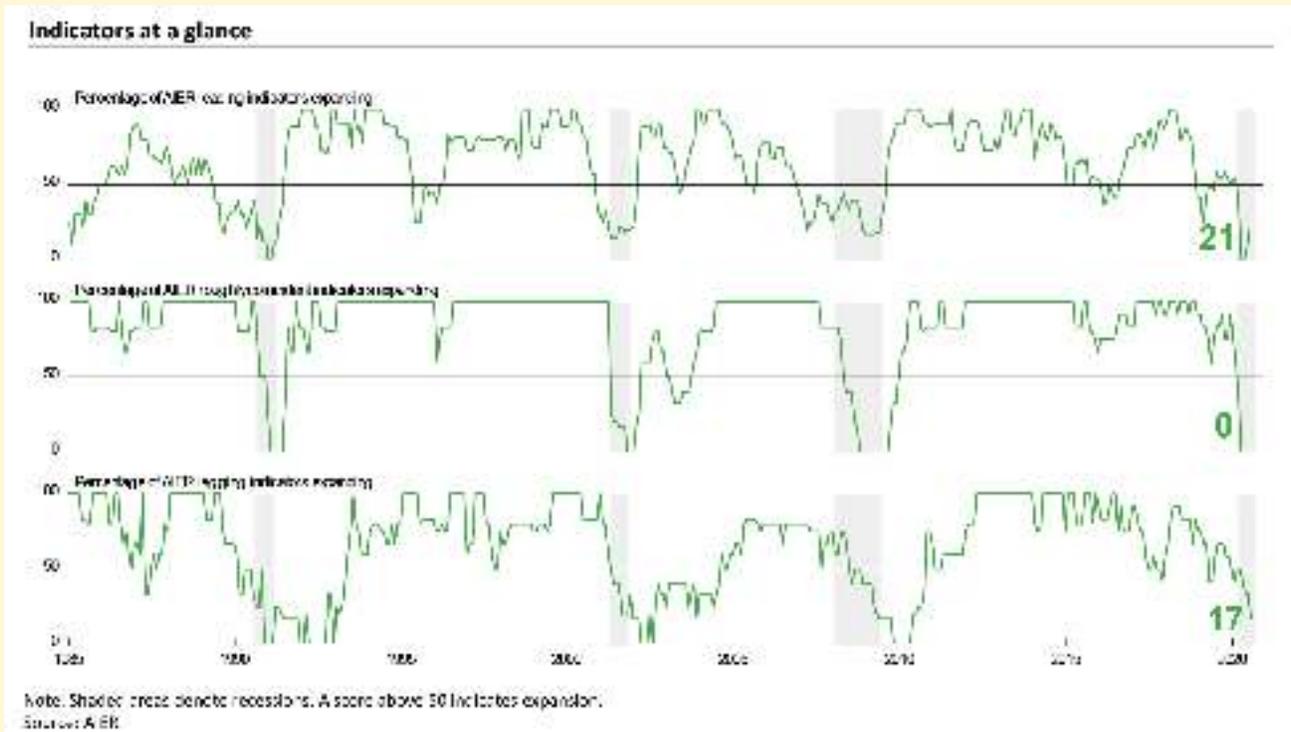
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BUSINESS
CONDITIONS
MONTHLY

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AIER's Leading Indicators Index Improves in August but Remains Well Below Neutral



The historic plunge in economic activity resulting from the repressive lockdown policies implemented to slow the spread of Covid-19 has begun to reverse. However, inconsistent policies across industries and regions are contributing to very high levels of uncertainty, confusion, and risk aversion among consumers and businesses. Those conditions are producing wide-ranging recoveries across the economy, and ultimately represent a substantial lingering threat to broad economic recovery.

The progression of the outbreak as well as progress in developing an effective treatment and a vaccine continue to have mixed results. New daily cases and deaths have eased in many states but a lack of understanding of the disease as well as a plethora of misinformation represent roadblocks on the path to normalization. Development and distribution of a vaccine is proceeding but that process is slow and is likely to take a few more quarters. Consumers, businesses, and policymakers are adapting to the rapidly changing environment but not surprisingly, government policies still appear inconsistent, ineffective, or harmful. With a few months of data on the nascent rebound now available, winners and losers across the economy are becoming apparent. However, these early trends are still tentative and subject to changes in consumer or business behavior, government policies, and society's understanding of the disease itself.

AIER Business Cycle Conditions indexes were mixed in August with the Leading Indicators index increasing slightly, the Roughly Coincident Indicators index unchanged for a fourth month and the Lagging Indicators index declining. All three indexes remain well below neutral (see chart). The latest results suggest the possibility of a rapid recovery continues to fall and that full recovery is likely to be more drawn out, uneven, and uncertain.

AIER Leading Indicators index rose slightly in August

The AIER Leading Indicators index rose to a reading of 21 (on a scale of 0 to 100) in August, up from 8 in July and two months at 0 in June and May. The back-to-back zeros were the first pair of bottom readings since January and February 1991. The last time the Leading Indicators index posted more than two months at the lower bound was a three-month run from April through June 1980. The index has never stayed at zero for more than three consecutive months.

Two leading indicators changed signals in August. The real stock price indicator improved from a negative trend to a neutral trend based on data through July (the latest data available). Furthermore, nominal stock prices posted gains in August, suggesting this indicator could show another improvement in the coming months if gains continue.

Real retail sales improved from a negative trend to a positive trend. The July retail sales report showed nominal retail spending rose to a record high despite continuing restrictions in many places. Debit balances in margin accounts remained in an uptrend.

The overall results among the 12 leading indicators show two indicators in uptrends, nine indicators still in downtrends, and one in a neutral trend.

The Roughly Coincident Indicators index remained at 0 in August, the fourth consecutive month at the lower bound. The last time the coincident indicators index spent multiple months at zero was in 2008-09 when the index spent a total of 11 consecutive months at the bottom. The index spent five months at zero in 1991 and four months there in 1981-82. While some of the underlying data for the Roughly Coincident Indicators posted gains in the most recent month or two, the trends remain negative. An additional month (or possibly more) of recovery may be needed before solid uptrends are established.

AIER's Lagging Indicators index fell to 17 in August from 33 in July. Duration of unemployment

fell from a positive trend last month to a negative trend in the most recent report. That change left just one indicator trending higher while five had unfavorable trends, and none were neutral.

Overall, extremely weak results continued for both the Leading Indicators index and the Roughly Coincident Indicators index suggesting that a rapid recovery from the historic policy-driven plunge in economic activity is unlikely. Some areas of the economy benefited from the initial push to reopen and posted sharp gains in May and June following massive drops in March and April. However, data for July and August indicate that the rebounds may be starting to falter in some areas. The outlook for the economy remains highly uncertain and full recovery to pre-pandemic conditions is likely many quarters away.

Winners...And Losers

The current U.S. recession is unlike any other in history. Never before have policymakers intentionally caused economic chaos and never before have activity and conditions among sectors and industries been so varied. As economies grow more complex, broad sweeping statements based on broad aggregate measures become less useful. That sentiment is even more relevant today.

While broad aggregates like gross domestic product show historic declines, there are areas and industries that are faring better than others. Among the key areas of the economy, consumer spending, housing, labor, and manufacturing, a more granular analysis of activity may provide a better understanding of emerging trends that could have a significant impact on the future path of the overall economy.

Retail Spending – several strong categories...

Retail spending hit new high in July, but gains were not consistent among the various categories of retailers. Retail sales and food-services spending in total posted a gain in July, rising 1.2 percent from

the prior month following an 8.4 percent jump in June and an 18.3 percent record surge in May.

Excluding motor vehicle and gas categories, core retail sales and food services were up 1.5 percent in July after a 7.7 percent jump in June. The gains over the past three months have completely offset the declines from March and April, leaving the July tally for total retail sales and food services 2.7 percent above the July 2019 level while core retail sales and food services are 3.9 percent above year ago levels.

However, results across the various categories of retailers were mixed. Among the 13 categories of retailers within the retail sales report, seven are above their January 2020 level while six are below. Nonstore retail sales (which includes online retailers) rose 0.7 percent in July and is up 25.8 percent from July 2019. This category has been one of the most successful during the pandemic and lockdowns, with sales 23 percent above January 2020 levels. The switch to online spending has been going on for quite some time and the combination of lockdowns, regulations and safety concerns appear to be accelerating the trend. That trend has significant implications for retail and commercial real estate as well as transportation and logistics.

Home activities are surging under restrictions. Sporting-goods, hobby, musical-instrument, and bookstores saw a 5.0 percent decline in July but are still up 18.9 percent from a year ago and are 18 percent above January 2020. Food and beverage store sales posted a 0.2 percent rise for the month, leaving sales 12.8 percent above July 2019 and 11 percent above January 2020. Building materials, gardening equipment and supplies dealers sales had a 2.9 percent drop in July but are up 16.0 percent from a year ago and 7 percent from January. Health and personal care stores and general merchandise stores both had sales above year ago and January 2020 levels.

Motor vehicles and parts dealers' sales fell 1.2 percent for the latest month leaving sales 7.0 percent

higher than a year ago and 4 percent higher than January. Low interest rates and increased demand for private transportation options have helped vehicle sales stage a substantial recovery though unit sales remain below their pre-pandemic range.

...But several are still struggling

Categories that are below their January 2020 levels are generally retailers that depend heavily on the in-store experience, including clothing and accessory stores (up 5.7 percent in July but down 19.7 percent from a year ago and 21 percent below January 2020), and food services (up 5.0 percent in July but down 17.5 percent from a year ago and 20 percent below January). Electronics and appliance stores, furniture and home furnishings stores, and miscellaneous stores were all still below their January 2020 levels. Despite still being below their pre-pandemic sales levels, all six are above their April 2020 lows.

Gasoline stations sales were up 6.2 percent for the month but are down 14.8 percent for the year and 16 percent since January. Gasoline sales are caught in the crosswinds of less commuting demand, greater leisure demand, and volatile crude oil prices.

Housing – urbanites head for the suburbs

Like vehicles, housing is benefiting from low interest rates. Furthermore, increased demand for less dense housing is boosting some types of housing activity but hurting others. Existing-home sales surged in July, extending their sharp recovery. Sales of existing homes jumped 24.7 percent in July to a 5.86 million seasonally adjusted annual rate. Sales are now up 8.7 percent from a year ago and solidly in the 5 to 6 million range they had been in since 2015.

Sales in the market for existing single-family homes, which account for around 90 percent of total existing-home sales, rose 23.9 percent in July, coming in at a 5.28 million seasonally adjusted annual rate. From a year ago, sales are up 9.8 percent.

The July pace is the fastest since December 2006.

Condo and co-op sales posted a 31.8 percent surge for the month, but were still just equal to the July 2019 pace. Sales came in at a 580,000 pace for the month versus 440,000 in June.

The total inventory of existing homes for sale fell 2.6 percent to 1.50 million in July, pushing the months' supply (inventory times 12 divided by the annual selling rate) to 3.1 from 3.9 in June. For the single-family segment, the months' supply also fell, to 3.0, tying the record low, from 3.8 in June, while the condo and co-op months' supply fell to 4.1 from 5.3.

With demand up and restrictions on construction activity easing, total housing starts rose to a 1.50 million annual rate from a 1.22 million pace in June, a 22.6 percent increase. The July pace was the fourth highest since 2006 at the end of the housing bubble.

The dominant single-family segment, which accounts for about 60 percent of new home construction, rose 8.2 percent for the month to a rate of 940,000. Starts of multifamily structures with five or more units surged 56.7 percent to 547,000. From a year ago, total starts are up 23.4 percent with single-family starts up 7.4 percent and multifamily starts up 67.8 percent.

For housing permits, total permits rose 18.8 percent to 1.50 million from 1.26 million in June. Total permits are 9.4 percent above the July 2019 level. Single-family permits were up 17.0 percent at 983,000 in July while permits for two- to four-family units gained 12.5 percent and permits for five or more units increased 23.5 percent to 467,000. Combined, multifamily permits were issued at a 512,000 pace versus 418,000 in June. Permits for single-family structures are up 15.5 percent from a year ago while permits for two- to four-family structures are down 2.2 percent and permits for structures with five or more units are down 0.4 percent over the past year.

On the downside, dense, traditionally expensive markets such as New York City and San Francisco are experiencing sharp declines in rents and occupancy.

Future demand for less dense housing versus urban housing remains uncertain. Housing is one of the areas that may face structural changes if buyers and renters develop permanent shifts to their housing preferences. If it is believed that higher density living represents a higher risk in future pandemics, then there may be sustained increased demand for less dense suburban and rural housing. This trend could be sustained or boosted if businesses implement permanent work from home policies, to make employees happy but also to cut down on high-cost commercial real estate, especially in high-density, high-cost cities.

Labor – a partial rebound but damage has been massive

U.S. nonfarm payrolls posted a fourth monthly gain in August, adding 1.4 million jobs following a 1.7 million rise in July, a 4.8 million surge in June, and a 2.7 million gain in May. However, the four-month total gain of 10.6 million is far from offsetting the 22.2 million loss in March and April; payrolls remain well below the February peak.

The report suggests that the labor market recovery is continuing as restrictive government policies are lifted. However, the slowing pace of gain sustains concerns that a sizable portion of the losses may be very slow to return or may not return at all.

The total number of officially unemployed fell to 13.6 million in August, a drop of 2.8 million from 16.3 million in July and 9.5 million below the massive 23.1 million in April. The number of officially unemployed in February was just 5.8 million.

The unemployment rate fell to 8.4 percent from 10.2 percent in July while the participation rate ticked up to 61.7 percent from 61.4 percent. The participation rate was at a cycle high of 63.4 percent

in January 2020 and fell to a low of 60.2 in April during the lockdowns.

The underemployed rate, referred to as the U-6 rate, fell from 16.5 percent in July to 14.2 in August; the peak was 22.8 percent in April.

Private payrolls added 1.0 million jobs in August following a gain of 1.5 million in July. Private services added 984,000 while goods-producing industries gained 43,000. For private service-producing industries, the gains were led by a 249,000 increase in retail followed by professional and business services which added 197,000, leisure and hospitality with a 174,000 gain, and health care and social-assistance industries with a 90,000 increase. Within the 43,000 gain in goods-producing industries, nondurable-goods manufacturing rose by 27,000, construction added 16,000 jobs, durable-goods manufacturing increased by 2,000, while mining and logging industries lost 2,000 jobs. Despite the gains over the last four months, every industry had fewer employees in August than in February. The net losses range from a 1.3 percent drop in utilities workers to a devastating 25 percent plunge in leisure and hospitality.

The government sector added 344,000 employees in August; however, most were related to hiring for the 2020 census.

Manufacturing – picking up but challenges remain

Industrial production rose 3.0 percent in July following a surge of 5.7 percent in June and a 0.9 percent gain in May. However, the three consecutive months of gains were not enough to overcome the back-to-back declines of 4.3 percent and 12.8 percent in March and April, respectively. Over the past year, industrial production is down 8.2 percent and 8.3 percent below the pre-pandemic level in February.

Manufacturing output, which accounts for about 75 percent of total industrial production, rose 3.4 percent after a monthly record gain of 7.4 in June

and an increase of 3.8 percent in May. The three gains follow declines of 5.0 percent and 16.0 percent in March and April. The three consecutive gains still leave manufacturing output 7.7 percent below year-ago levels. With the manufacturing output index at 96.5 for July, output is about 8 percent below the 2018-2019 average index level.

The gains in the manufacturing sector in July were widespread across nearly all major market and industry groups. Measured by market segment, consumer-goods production was up 4.6 percent in July, with consumer durables rising 14.6 percent and consumer nondurables gaining 2.0 percent. Consumer durable-goods production was led by a 27.9 percent jump in automotive products. Business-equipment production increased 5.0 percent in July while construction supplies rose 0.4 percent for the month. Materials production (about 46 percent of industrial activity) increased 2.2 percent for the month. Despite the gains in July, nearly every major segment and industry shows a decline from a year ago.

Total industrial utilization rose to 70.6 percent in July from 68.5 percent in June. That is well below the long-term (1972-2019) average utilization of 79.8 percent. Manufacturing utilization rose 2.3 percentage points to 69.2 percent, well below the long-term average of 78.2 percent and below the 2018-2019 average of 76.1 percent. July data suggest that while manufacturing output is recovering, output and utilization remain weak and it may take substantial time before manufacturing returns to pre-pandemic levels.

The Institute for Supply Management's Manufacturing Purchasing Managers' Index rose again in August, posting a 56.0 percent reading for the month, up from 54.2 percent in July. The latest result is the third consecutive reading above the neutral 50 threshold and fourth consecutive month of improvement since hitting a low of 41.5 in April. Overall, the report notes, "The PMI signaled a continued

rebuilding of economic activity in August and reached its highest level of expansion since November 2018, when the index registered 58.8 percent.”

Among the key components, the New Orders Index came in at 67.6 percent, up from 61.5 percent in July, and the highest result since January 2004. Fifteen of eighteen industries in the survey reported growth in new orders in August. The New Export Orders Index came in at 53.3 percent in August, up 2.9 percentage points from a 50.4 percent result in July. The Backlog-of-Orders Index came in at 54.6 percent in August, up from 51.8 percent in the prior month.

The Production Index registered a 63.3 percent result in August, up from 62.1 percent in July and the highest reading since January 2018. Fifteen industries reported growth in the latest month, including: wood products; primary metals; chemical products; plastics and rubber products; nonmetallic mineral products; transportation equipment; textile mills; machinery; food, beverage and tobacco products; fabricated metal products; petroleum and coal products; electrical equipment, appliances and components; miscellaneous manufacturing; computer and electronic products; and paper products.

The Supplier Deliveries Index, a measure of delivery times from suppliers to manufacturers, rose to 58.2 percent from 55.8 percent in July. Slower supplier deliveries are usually consistent with stronger manufacturing activity. However, the slower deliveries in recent months have been more a result of supply chain and logistical constraints. According to the report, “The Supplier Deliveries Index now better reflects supplier’s difficulty in maintaining delivery rates due to factory labor safety issues and transportation difficulties.”

CAPITAL MARKET PERFORMANCE

(Percent change)

	August	Latest 3M	Latest 12M	Calendar Year			Annualized		
				2019	2018	2017	3-year	5-year	10-year
Equity Markets									
S&P 1500	6.7	14.6	18.0	28.3	-6.8	18.8	11.5	11.6	12.6
S&P 500 - total return	7.2	15.5	21.9	31.5	-4.4	21.8	14.5	14.5	15.2
S&P 500 - price only	7.0	15.0	19.6	28.9	-6.2	19.4	12.3	12.2	12.8
S&P 400	3.4	9.2	2.4	24.1	-12.5	14.5	3.6	6.3	10.3
Russell 2000	5.5	12.0	4.5	23.7	-12.2	13.1	3.6	6.1	10.0
Dow Jones Global Large-Cap Index	6.6	15.1	16.0	23.8	-10.4	42.9	7.6	8.6	7.7
Dow Jones Global Large-Cap ex-U.S. Index	4.2	12.8	6.3	18.2	-15.7	41.0	0.5	3.3	2.6
STOXX Europe 600 Index	2.9	4.6	-3.4	23.2	-13.2	7.7	-0.7	0.2	3.8
Bond Markets									
iShares 20-plus Year Treasury Bond ETF	-5.2	-0.9	10.1	11.5	-4.2	6.5	8.2	6.0	4.1
iShares AAA - A Corporate Bond Fund	-1.9	1.6	4.9	9.1	-5.2	2.9	3.1	2.7	NA
Commodity Markets									
Gold	-0.4	13.7	28.7	18.7	-1.7	12.6	14.4	11.7	4.7
Silver	13.6	55.5	48.8	16.7	-8.3	3.8	16.4	13.6	3.8
CRB all commodities	4.5	7.5	2.0	-1.9	-5.4	2.2	-3.2	-0.6	-1.4

Sources: Barrons, Commodity Research Bureau, Dow Jones, Frank Russell, iShares, Standard & Poor's, STOXX Europe 600, Refinitiv.

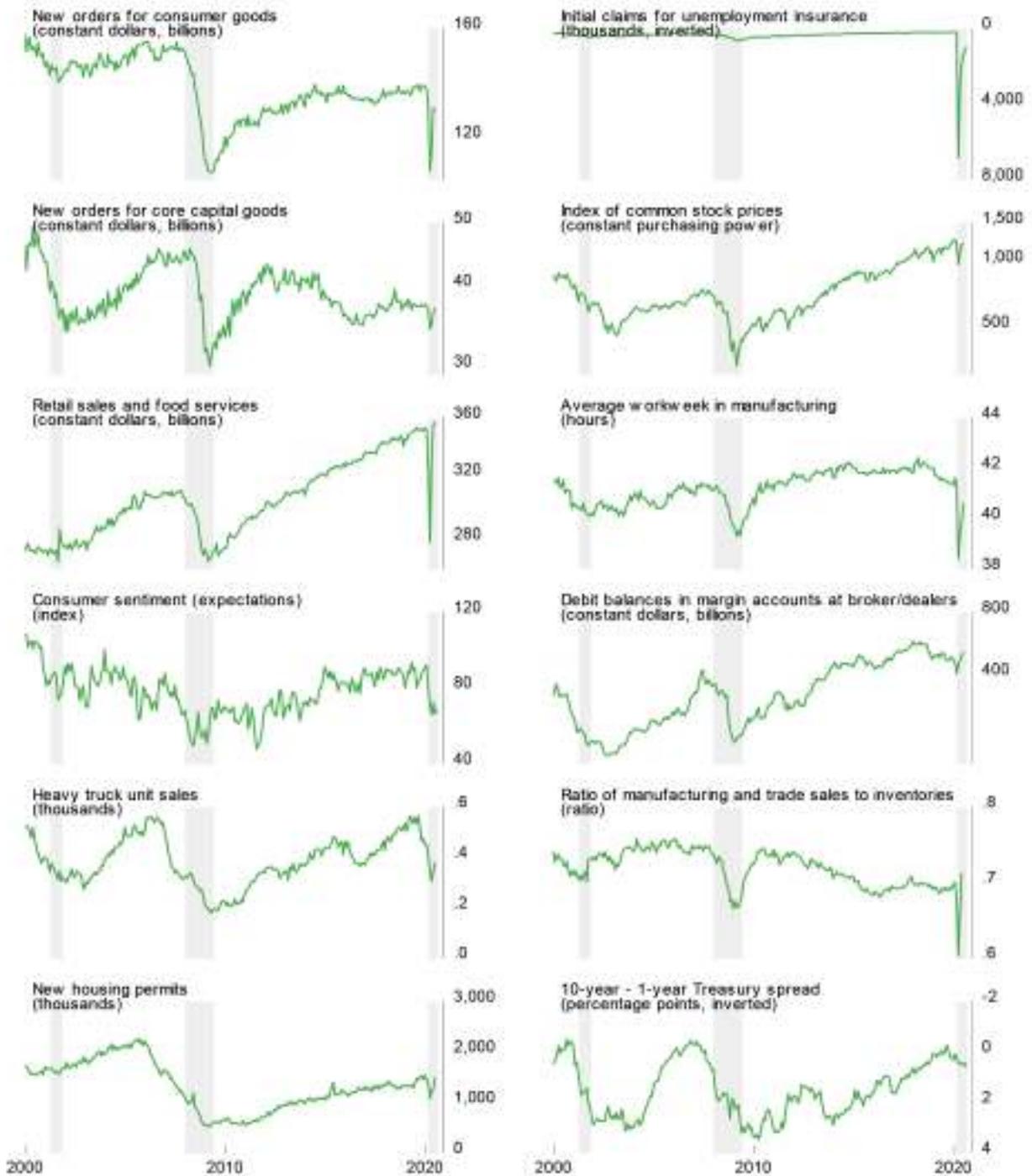
CONSUMER FINANCE RATES

(Percent)

	August	Latest 3M	Latest 12M	Average for Year			Average over Period		
				2019	2018	2017	3-year	5-year	10-year
30-yr. fixed mortgage	3.0	3.1	3.5	3.9	3.7	3.9	4.0	3.9	4.0
15-yr. fixed mortgage	2.5	2.6	2.9	3.4	2.9	3.1	3.5	3.3	3.3
5-yr. adjustable mortgage	3.0	3.1	3.3	3.6	2.9	2.9	3.5	3.3	3.2
48-month new car loan	5.1	5.1	5.3	5.4	4.3	4.2	5.1	4.8	4.9

Sources: Bankrate, Federal Reserve.

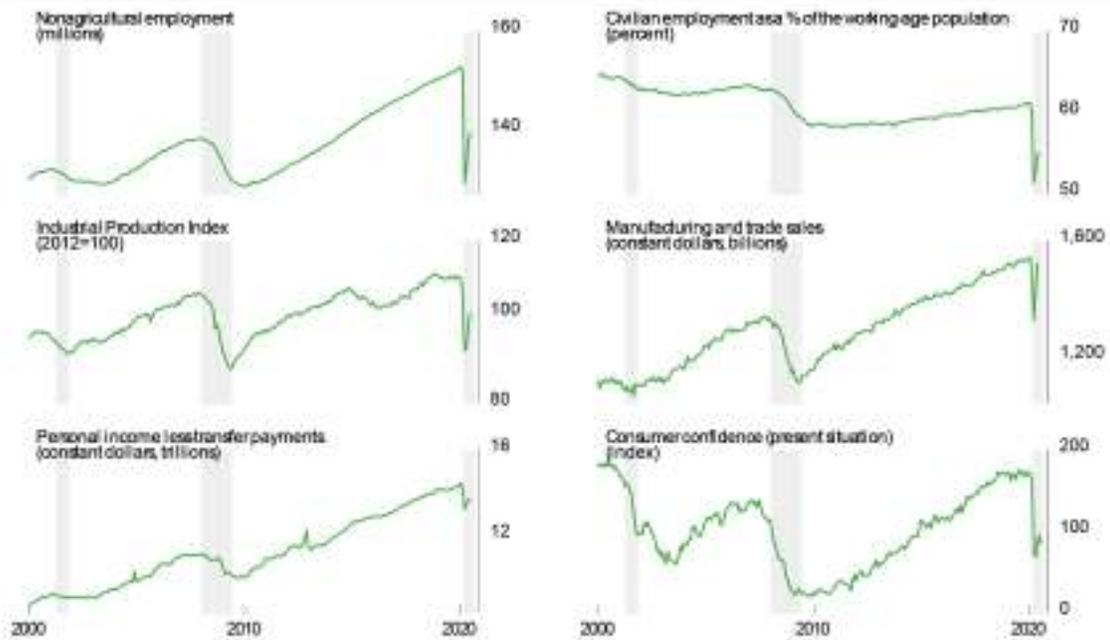
LEADING INDICATORS (2000-2020)



Note: Shaded areas denote recessions.

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, The Conference Board, Census Bureau, Department of Labor, Federal Reserve, Institute for Supply Management, Standard & Poor's, AER (Refinitiv).

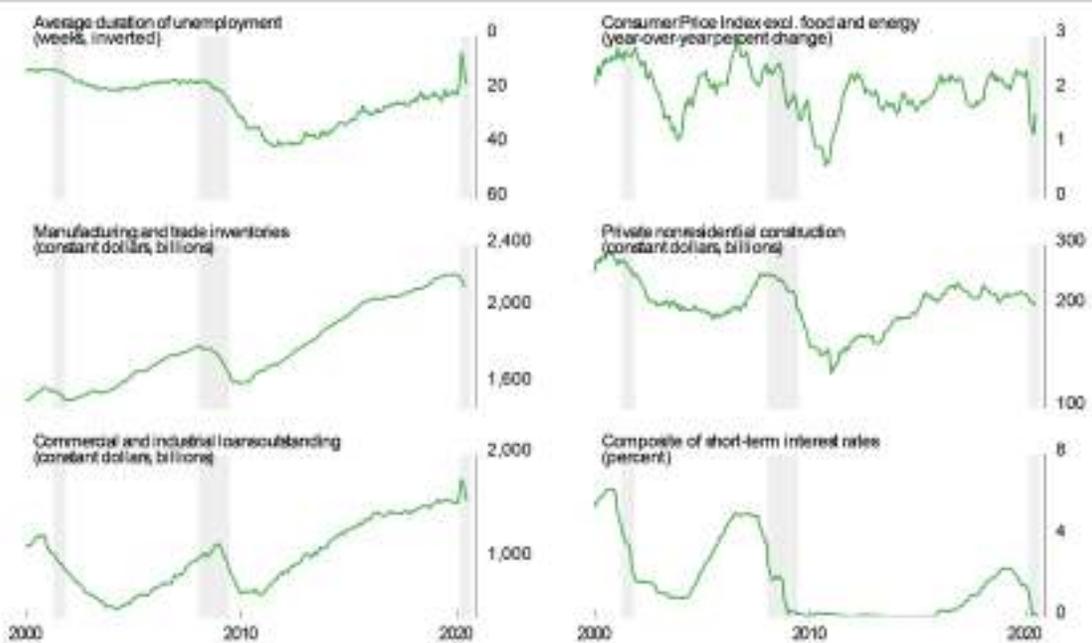
ROUGHLY COINCIDENT INDICATORS (2000-2020)



Note: Shaded areas denote recessions.

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, The conference Board, Census Bureau, Department of Labor, Federal Reserve, Institute for Supply Management, Standard & Poor's, AER (Refinitiv).

LAGGING INDICATORS (2000-2020)



Note: Shaded areas denote recessions.

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, The conference Board, Census Bureau, Department of Labor, Federal Reserve, Institute for Supply Management, Standard & Poor's, AER (Refinitiv).

Save Yourself: Stop Believing in Lockdown

STACEY RUDIN

Contributor

Storied minds have argued that a failure to critically examine our beliefs makes us culpable for adverse outcomes. Beliefs lead to actions, which impact other people.

As Voltaire wrote during the Enlightenment — when society still had time away from the screen to reflect on philosophy, morality, and fundamental truth — “those who can make you believe absurdities, can make you commit atrocities.”

This has never been more true than in the age of social media, when information and opinions constantly bombard us from all sides, isolating us from our own thoughts and values. We have a moral duty to critically examine our beliefs — especially our belief in “lockdown,” the most oppressive and universally destructive public policy implemented in our lifetimes.

Is it the least-restrictive means available to minimize casualties in this pandemic?

Our belief in it was formed when we felt legitimate fear — this can lead to irrationality — so we really cannot answer this question in good conscience unless and until we take the time to conduct a proper, honest examination with the benefit of hindsight.

Any number of atrocities can occur when human beings act on unfounded, unexamined beliefs.

Consider the example of the shipowner in William Kingdon Clifford’s 1876 essay, “The Ethics of Belief.” Troubled by the condition of his aging ship, which others have suggested is not well-built and is in need of repairs, he eventually pacifies himself with these comforting thoughts: “She had gone safely through so many voyages and weathered so many storms that it was idle to suppose she would not come home from this trip also.” The shipowner

develops a sincere conviction that she will not sink, and acts on his belief.

“He watched [the ship’s] departure with a light heart, and benevolent wishes for the success of the exiles in their strange new home that was to be; and he got his insurance-money when she went down in mid-ocean and told no tales.

What shall we say of him? Surely this, that he was verily guilty of the death of those men. It is admitted that he did sincerely believe in the soundness of his ship; but the sincerity of his conviction can in nowise help him, because he had no right to believe on such evidence as was before him. He had acquired his belief not by honestly earning it in patient investigation, but by stifling his doubts.”

The shipowner’s belief was built on sand — he knew he had questions to answer, but instead he took the comfortable path, and other people had to pay with their lives for it. While it may appear that he personally got off easy, his reputation, confidence and conscience surely suffered.

People who harbor false beliefs and ignore warning signs routinely end up grievously harmed: consider the investors in Elizabeth Holmes’ Theranos scam, or Bernie Madoff’s Ponzi scheme, or the parents of Larry Nassar’s little-girl gymnasts. These examples prove just how easily the trust and credulity of very intelligent people is easily exploited. It happens like magic, in broad daylight — millions are lost or gained, irreparable actions are taken — with the victim all the while believing he or she is choosing to participate in a beneficial relationship or situation.

The passengers trusted the shipowner. The investors trusted the entrepreneurs. The parents

trusted the doctor. Should WE be trusting the government?

Perhaps, instead of taking the easy path of blind faith, we should challenge our government's assertions about COVID-19 and how to deal with it. After all, governments have already admitted to manipulating us in writing:

Perceived threat: A substantial number of people still do not feel sufficiently personally threatened; it could be that they are reassured by the low death rate in their demographic group . . . The perceived level of personal threat needs to be increased among those who are complacent, using hard-hitting emotional messaging.

I respectfully submit to you: anyone willing to adopt this shady tactic is not worthy of your blind trust. Governments know that emotional people are easy to manipulate. As Robert Greene wrote in the authoritative tome on human nature, “You like to imagine yourself in control of your fate, consciously planning the course of your life...[b]ut you are largely unaware of how deeply your emotions dominate you. They make you veer toward ideas that soothe your ego. They make you look for evidence that confirms what you already want to believe...”

Logically, terrified people want to believe in the existence of a sturdy lifeline. They like that lifeline even more if grasping onto it makes them “good people,” and turns those who prefer to swim with the tide into “killers.” Knowing what it knows about human nature, we can be certain our government knew that proposing lockdown to us at this particular moment was pretty much guaranteed to succeed.

It would be wise to take the government to task now that we've calmed down. What have they asked us to believe, why have they asked us to believe it, and what are the grounds for doubt?

Belief #1: “Lockdown saves lives.”

Blind faith in lockdown rapidly took hold in March 2020 like a fire in a haystack. The spark that ignited it was terror, lit by the media's sensationalist reporting of the “disaster” in Northern Italy, shortly followed by the doomsday predictions from fancy-sounding (“Imperial College! London!”) modelers. Those same modelers offered a lifeline: — lockdown, the long awaited real-life opportunity to test a pet theory. Too bad we never stopped to question their credibility (“they sound so fancy!”) and motives (“we've been waiting for this moment!”) before taking any action — particularly drastic, life-altering action.

“Every man who has accepted the statement from somebody else, without himself testing and verifying it, is out of court; his word is worth nothing at all. Two serious questions must be asked in regard to him who first made it: was he mistaken in thinking that he knew about this matter, or was he lying?”

~ William Kingdon Clifford

A second, even bigger credibility issue is found when we consider the first lesson we ever learned about “lockdown.” That lesson came from China. None of us — or even our parents — had ever heard of a population-wide quarantine until the Chinese government planted the idea with a highly-publicized “lockdown” of its own.

This normalized the concept, preparing our minds to accept it as a scientifically-supported measure to manage infectious diseases. Then, after bombarding us with images of its citizens' sacrifices, China predictably declared, “It worked! We defeated the virus! Disease is gone!”

The lifeline. The island of escape. Thank you, China — because of you, we will not die.

Little did we know that decades of public health

work unequivocally established the opposite: “There is no basis [in science] for recommending quarantine either of groups or individuals.”

From the European Centre for Disease Control and Prevention:

“It is hard to imagine that measures like those within the category of social distancing would not have some positive impact by reducing transmission of a human respiratory infection spreading from human to human via droplets and indirect contact. However, the evidence base supporting each individual measure is often weak.”

From the United States Center for Disease Control’s 2007 Interim Pandemic Planning Guidelines (p.25):

“[M]athematical models that explored potential source mitigation strategies that make use of . . . infection control and social distancing measures for use in an influenza outbreak identified critical time thresholds for success. . . the effectiveness of pandemic mitigation strategies will erode rapidly as the cumulative illness rate prior to implementation climbs above 1 percent of the population in an affected area.”

Even the *Washington Post*, in late January 2020, published an article soundly condemning the Chinese lockdown:

“This is just mind-boggling:
This is the mother of all quarantines.
I could never have imagined it.”

~ Howard Markel,
University of Michigan medical historian

“The truth is those kinds of lockdowns are very rare and never effective . . . They’re doing it because people who are in political leadership always think that if you do something dramatic and visible that you’ll gain popular support. They couldn’t have any sound public health advice.”

~ Lawrence O. Gostin,
professor of global health law at Georgetown University

We can now confirm the accuracy of these statements with live data from our lockdown experiment. We even have the scientific gold standard — a control group — Sweden. Swedish mortality data proves that not only does lockdown not “save lives,” it leads to increased mortality. Sweden has far less “excess” (above-average) all-cause mortality in 2020 than heavily locked-down areas such as New Jersey, Michigan, Spain, Italy, Belgium, and the U.K. Sweden’s all-cause mortality this year is similar to that of its Scandinavian neighbors: they each have moderate excess mortality, in line with historical averages.

Sweden also proves that COVID’s true mortality impact — when additional lives are not lost due to terrifying propaganda and draconian government actions leading to fear, despair, and the destruction of medical and social systems — is that of a severe flu. For weeks 1–32 of 2018, Sweden had 56,770 deaths. For the same weeks of 2020, it has 59,346 deaths — a difference of 2,576 or ~4%, and going down from there since mortality is now running below average.

In short, many of the weakest citizens in Sweden sadly died a few months early. While all lost time is regrettable, it is unlikely that any dying 86-year-old, in order to extend his own life by 5–9 months (the average remaining life expectancy of 70% of Swedish COVID deaths), would propose that a 30-year-old father be sentenced to lose his business

and hang himself.

Yet that's exactly what happened in countries that did lock down. The elderly we were supposed to be "saving" didn't get to speak on the matter— instead, they got COVID secretly sent straight into their places of residence, like a fox to the henhouse. According to the government officials who issued these orders and their ideologically-aligned media, Sweden is the bad guy. We accept this perverse, overtly-biased claim and resulting atrocity only because we firmly believe in the effectiveness of lockdowns. Otherwise, we would be rioting in the streets, recognizing that the same people who created the problem sold us the remedy. *Their* remedy.

“We all suffer severely from the maintenance and support of false beliefs and the fatally wrong actions which they lead to, and the evil born when one such belief is entertained is great and wide.”

~ William Kingdon Clifford

Belief #2: It is imperative FOR EVERYONE to avoid COVID-19 infection.

Some people, particularly the very elderly with serious comorbidities, should indeed try to avoid infection. But for the millions of people at low risk, COVID should be treated the same as the flu. They should circulate normally, serving humanity by exposing themselves to the virus without hysteria, as the Swedes did. This will minimize overall mortality by reducing the duration of the epidemic, freeing the high-risk elderly from confinement earlier, and avoiding all of the lockdown deaths and other traumas. It is a scientific fact that every epidemic ends at the threshold of “herd immunity” — not before.

The alternative we have chosen — an epidemic identical in size, but longer in duration, with people at statistically zero risk hiding inside their homes

getting more stressed, fatter, and sicker — is utter madness. The most tragic part is Imperial explained this to us on March 16, and posted it online for everyone to see:

“Once interventions are relaxed . . . infections begin to rise, resulting in a predicted peak epidemic later in the year. The more successful a strategy is at temporary suppression, the larger the later epidemic is predicted to be in the absence of vaccination, due to lesser build-up of herd immunity.”

While Imperial designed lockdown as an ICU-capacity management strategy, it apparently did not foresee the difficulty in persuading people terrified by lockdown to go right back out and live two weeks later. “All clear! We have thousands of ICU beds staffed and ready for you! Good luck!”

Good luck indeed.

Thankfully, now we know that COVID is much less deadly than Imperial, WHO, and mainstream media led us to believe. Most of us know no one who has died — only .05% of the population has, after all. We do indeed have the all-clear, and we should feel perfectly fine conducting ourselves exactly like a Swede — and thanking others for doing just that, instead of bullying them with life-defeating, authoritarian mandates.

Belief #3: If she doesn't wear a mask, I won't be safe.

See above. If she acquires the infection and recovers, you will be safer than you were before. Unless you are routinely pounced on by sneezing strangers, you can wear your own mask and maintain your distance. You don't need any help from anyone else. Established science says that masks and distancing don't work, anyway — COVID-19 spontaneously shows up on naval ships 49 days into isolation, and similar viruses have appeared during the 17th week of perfect Antarctic quarantines. But at least you will feel like you're doing something.

Belief #4: If I was wrong about lockdown, that makes me gullible and unintelligent.

No, it makes you human. To err is human. Admitting this is noble and altruistic, while persisting on course despite red flags is pathological and damaging. We should all aspire to be like Socrates, who understood his human fallibilities: “I know that I am intelligent because I know that I know nothing.”

There is no shame in falling for such a sophisticated propaganda scheme. Most people did. A few shining stars have since emerged to admit their mistake, quietly adopting the Swedish approach. You would be wise to join them, avoiding the fate of Don Quixote:

“As long as he fought imaginary giants, Don Quixote was just play-acting. However once he actually kills someone, he will cling to his fantasies for all he is worth, because only they give meaning to his tragic misdeed. Paradoxically, the more sacrifices we make for an imaginary story, the more tenaciously we hold on to it, because we desperately want to give meaning to those sacrifices and to the suffering we have caused.”

~ Yuval Noah Harari,
Homo Deus: A History of Tomorrow

Belief #5: COVID-19 is much more dangerous than the flu.

Nope. As stated above, in terms of mortality impact, Sweden already proved that COVID-19 is indeed similar to the flu. The diseases are similar in other respects — both can have long-term health effects, both kill random outliers (the flu even kills young teachers), and both can cause hospitals to overflow, as influenza did as recently as two years ago. They have similar survival rates: ~997 out of 1,000 for

COVID, ~999 out of 1,000 for flu. Over fifty percent of Americans don’t even get the flu shot, yet we have destroyed the planet to “stop” COVID-19.

Why did it happen? Because the media chose to depict this virus as Black Plague — and we believed it. Now that we know that the media can do this, we can understand why the U.K. Prime Minister — and others in his position — was afraid of its powers. He reportedly imposed lockdown because he was threatened as follows: “If he didn’t lock down, journalists will ask him on national television to accept responsibility and apologise to the families of those who have died as a result of Covid-19, because the rhetoric would have been that it was his fault for not locking down.” In other words, the media had a three-step plan: (1) convince us that politicians have the power to stop death, (2) put the politicians in the position of needing to do what the media suggests will “save our lives,” (3) watch as we drive ourselves over a cliff.

The media cannot do this without our participation. We can stop them immediately by refusing to believe their superstitious, pseudo-scientific proposition that this is the only disease in history that needed a politician-imposed lockdown to abate. They cannot trick us into burning down our own houses once we simply stop believing that politicians have the power to stop death. Standing firmly on this foundation of scientific truth, we will finally be at peace, realizing that COVID-19, like every disease in history, will infect a certain number of people, kill a minute percentage of them, and then move along, lockdown or no lockdown.

We really must stop believing otherwise. Our credulity is destroying us. So long as we do believe the myth, we are avoiding the responsibility to manage this virus the way intelligent societies always have, by permitting medical professionals to treat sick people as individuals, one ailment at a time. One cannot merely unleash a total state on the

whole of society—even on nearly the entire planet—in a futile effort to scare the virus into going away.

That’s completely mystical thinking that unleashes the very catastrophe that smallpox eradicator Donald A. Henderson predicted in his 2006 plea never to lock down.

“The danger to society is not merely that it should believe wrong things, though that is great enough; but that it should become credulous, and lose the habit of testing things and inquiring into them; for then it must sink back into savagery.”

~ William Kingdon Clifford

August 23, 2020

Madness in Melbourne

JEFFREY A. TUCKER

Editorial Director

Melbourne, that glorious city in the state of Victoria in Australia, granted me some of the best travel days of my life during two separate trips each lasting a full week.

A happy, civilized, highly educated people are here living amidst modern architecture, inspiring bridges, and natural beauty, a place where even the police are kind, and when you ask them for directions they reply with a smile, and when you say thank you, they say “No worries.”

Now there are big worries in Melbourne.

The Premier has imposed a vicious police state without precedent in this country’s history. His name is Dan Andrews (a sweet-sounding name that masks the tyrant he has become), and he tweets out pictures of empty streets to brag about what he has achieved in the name of suppressing a virus.

Tacitus’s line about the Roman empire comes to mind: “Where they make a desert, they call it peace.”

Australia is the only country in the world that has a law that people can’t be mean to each other. Now it is host to one of the world’s meanest governments.

The catastrophe began with a spring lockdown before there were any cases of C-19 much less deaths. The ethos in Australia was one of extreme exclusion and suppression of the virus, not as bad as New Zealand but pretty bad. The rest of the world can catch this disease, but Australia would use its geographical isolation and political intelligence to ban the virus. The virus will be in awe and know to stay away forever.

It’s not a good theory because that’s not how viruses work.

Still, it seemed to work, at first. That’s because the virus had yet to arrive.

When the virus did arrive, the futility of the suppression strategy was revealed.

Melbourne had set up quarantine hotels for people arriving from abroad or returning from cruises. They would spend 14 days in isolation to purge themselves of possible infection. Then all would be okay. There was a problem: the wily virus escaped.

As a result, a nation’s pride in having suppressed the virus turned to panic and full lockdown. Internal borders are sealed. And Melbourne has become a living hell, not because of the virus (which is still mild) but because of the unleashing of a hellish police state.

A friend summarized the situation for me:

- Police may now enter anyone’s home **without a warrant.**
- Curfew 8:00pm.
- \$1,652 fine if outside without “a valid reason” – an amount being raised by the day
- Can’t visit any family or friends.
- \$200 fine for no mask (mandatory masks at all times).
- Can only exercise once per day, for up to 1 hour.
- Only one person per household, per day can leave the house (including for groceries).
- Can’t go more than 3 miles from your home.
- Weddings are illegal.
- No gatherings of any size.
- Army is on the streets fining/arresting people.
- “Since March 21, a total of 193,740 spot checks have been conducted by police across Victoria.”
- Protests/activism is illegal; people have already been arrested for peaceful gatherings.

- Media is EXTREMELY biased, calls protesters “right wing conspiracy nutjobs” and won’t allow discussion of whether these lockdowns are right or not.
- Several thousand people were placed under house arrest and unable to leave for ANY reason, with food rations delivered by the army, leading to appalling levels of personal trauma.
- Australia won’t release how many fines they’ve given out, but an ABC news report says it’s over \$5.2 million so far.
- Streets of Melbourne are empty, even in a city of 5 million+ people. People are HATEFUL to each other, everyone is cannibalising their neighbours (calling police to report any little infraction of the rules and turning on each other like some socialist hellhole).
- Billboards outside on the street that say in capital letters: “WHAT ARE YOU DOING? STAY HOME.” They feel extremely oppressive, like we’re being yelled at by a very oppressive government.
- The Victorian Premier Daniel Andrews shows complete and utter disdain for us, constantly blaming us. He’s blamed children (yes, really) for not taking this seriously enough. Every chance he gets, he tells us it’s OUR fault the virus is spreading (even though that’s what viruses do – they spread).
- It’s not just the Victorian Premier – the Australian Prime Minister Scott Morrison is just as terrible. He’s encouraged all of this, and he was responsible for the first lockdown.
- 1984 dystopian language: billboards everywhere saying “Staying apart keeps us together.” Have they gone mad?
- There’s probably more but at this point I honestly lost track of all the insanity that’s happened.
- All because 147 people died in the state of

Victoria (total population is 6.359 million), almost all of the deaths are over 70 with comorbidities, same as everywhere else in the world.

This is lockdown ideology at work. It is tyranny without limit, at the expense of all human dignity, decency, and rights. The politicians make a desert and call it health. And yet, meanwhile, in Australia since March, there have been six times as many deaths from suicide than from Covid-19.

Like everywhere else on the planet, Melbourne will have to reach herd immunity from C-19 at some point. Those who deny that are risking not only liberty and health but civilization itself.

Perhaps the other states in Australia will observe the destruction in Victoria and learn to take another path when the virus first arrives in their territory, as it surely will. Lockdowns are not science; they are brutality.

I cry for the once-great city of Melbourne this day. May there be justice. And may its future political leadership be granted some modicum of decency and wisdom.

August 4, 2020

Lockdowns and Mask Mandates Do Not Lead to Reduced COVID Transmission Rates or Deaths, New Study Suggests

STEPHEN C. MILLER

Chairman of the Standing Committee

A new National Bureau of Economic Research (NBER) working paper by Andrew Atkeson, Karen Kopecky, and Tao Zha focused on countries and U.S. states with more than 1,000 COVID deaths as of late July. In all, the study included 25 U.S. states and 23 countries.

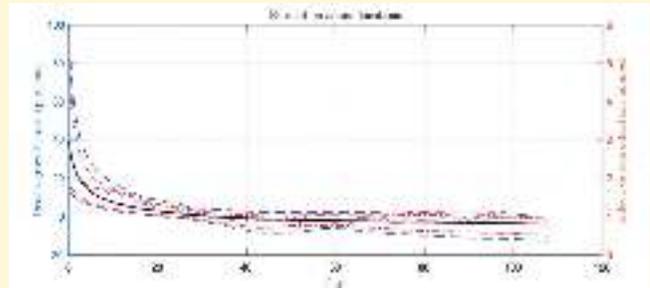
Based on their analysis, the authors present four “Stylized Facts” about COVID-19, which are:

1. Once a region reaches 25 total COVID deaths, within a month the growth rate in deaths per day falls to approximately zero. In other words, no matter the country or state and its policies, deaths per day stop increasing within 20-30 days of passing a threshold of 25 deaths.
2. Once that happens, deaths per day either begin to fall or the trend remains flat.
3. The variability in death trends across regions has fallen sharply since the beginning of the epidemic and remains low. All states studied, all countries studied, have become more similar in their trends and have remained so.
4. Observations 1-3 suggest that the effective reproduction number, R , has hovered around one worldwide after the first 30 days of the epidemic.

The paper’s conclusion is that the data trends observed above likely indicate that nonpharmaceutical interventions (NPIs) – such as lockdowns, closures, travel restrictions, stay-home orders, event bans, quarantines, curfews, and mask mandates – do not seem to affect virus transmission rates overall.

Why? Because those policies have varied in their

timing and implementation across countries and states, but the trends in outcomes do not.



From the study’s authors:

Location and sampling uncertainty. The black solid line in both charts represents the median posterior estimate. The solid magenta line in the top chart represents the median growth rate of 7-day smoothed daily deaths for all 50 locations and corresponds only to the left scale. The two dash-dotted bands in both charts contain two thirds of the posterior probability at each point in time and the two dashed bands, 0.90 of the posterior probability. The growth rates of death is estimated according to the fitted Weibull function. Effective reproduction numbers and normalized transmission rates are based on the SIR model. Day 0 is the earliest date when the cumulative death toll reached 25 in each location.

This study runs counter to previous studies claiming that NPIs were effective in reducing transmission rates during the early stages of the epidemic. The authors explain:

Given the observation that transmission rates for COVID-19 fell virtually everywhere in the world during this early pandemic period, we are concerned that these studies may substantially overstate the role of government-mandated NPIs in reducing disease transmission due to an omitted variable bias.

One of the key candidates for the key “omitted variable,” i.e. the true cause of the decline in transmission rates after the first month of an epidemic, is that human interaction does not conform to simple epidemiological models. In the real world human social networks overlap in such a way that a virus can spread rapidly for a short period of time, as some people contact more networks than others, but reaches natural dead-ends and roundabouts where potential new hosts in a “new” social network have already been exposed through other networks. The effect can resemble what some think of as “herd immunity,” but at relatively low infection rates.

The authors reason that even if NPIs *were* effective early on, they do not appear to be anymore:

Moreover, given the observation that disease transmission rates have remained low with relatively low dispersion across locations worldwide for the past several months as NPIs have been lifted, we are concerned that estimates of the effectiveness of NPIs in reducing disease transmission from the earlier period may not be relevant for forecasting the impact of the relaxation of those NPIs in the current period, due to some unobserved switch in regime.

This study provides strong statistical support for what so many have been observing for six months. The epidemic has a natural tendency to spread

quickly at first and slow down, seemingly on its own, a point made not only here but as early as April 14 by Isaac Ben-Israel. Meanwhile governors imagine that very specific rules for opening bars and restaurants are the key to containment.

Governments have conducted an unprecedented social, economic, and political experiment in controlling whole populations’ behavior, with high economic and human cost. The authors ask the right question: has this experiment in government-managed virus control and suppression made a difference? The startling answer they found, after examining data from around the country and the world, is that the evidence simply is not there.

If we are concerned about the evidence on this global experiment, we must concede that most government authorities have likely acted in error.

August 26, 2020

Don't Live Your Life In a Bubble

ROGER W. KOOPS

Contributor

Dear Younger Generations;

I am writing to the younger generation. When you become an old-timer like me, anyone younger is of the younger generation. My focus is on the slightly more than half of the population of the U.S. who are younger than the age of 40, but this message is for those older as well. I write this because I, as a scientist, am very worried about what has become of the human species. In just a few short months, we have seen the species devolve into a panic-driven, irrational, hysterical species.

Much of this hysteria has been forced upon us by people who were elected to represent us, not dictate. Not all have gone this route but most have. They now seem to be only serving themselves. Theaters may be closed but we certainly get to see much grandstanding from these people on a constant basis. Their main message is that THEY will decide all risks for society.

As human beings, we live each day of our lives choosing our risks in life. Many risks we do not even think about consciously. Starting early in our childhood we are taught about risks and consequences by adults as well as our peers. We are taught that there are risks that we can manage to varying degrees and then there are risks that involve others to mitigate. Most risks fall into a combination mode; that is, we can have some control over the risk but we are still dependent on others. But, believe it or not, risks become mitigated by repetitive behavior, economics, and many factors.

All of which we balance in making our decisions. For example, flying in an airplane offers one little control over the risk. Yet, in making that decision you assume that the pilot and crew are well-trained,

that the aircraft is maintained and serviced correctly, that it has been properly fueled, that the flight plan does not intersect with another aircraft, and so on – hundreds of people are now a part of the risk process; you are a nonexistent part of that risk. What allows you to make that risk decision is past performance and knowledge of those people assuming the risk. But, you always have the choice not to fly.

Risk evaluation and management, therefore, is completely an individual exercise in personal responsibility. This evaluation is so personal because it fits with how we each will choose how to live our life. No one really wants any person to tell them how to live their lives and control those risks. Some people are willing to assume high personal risks in order to experience what they want to get out of life.

Sometimes, they will choose the high possibility of an early death if it means fulfilling an experience. Yet in the past few months, a very few people, with no real understanding of what they are doing, are now making those risk decisions for everyone. And while the health impact has been felt greatest on the elderly and impoverished, the life impact has been felt mostly on your generation and the less fortunate of all ages in society.

Infectious diseases know nothing of risks or risk-taking. A virus is a molecule seeking the necessary chemical reaction to sustain its life cycle – PERIOD. It has evolutionary advantages beyond what we have been able to yet comprehend. It seeks out cells to survive like we consume food, or breathe air. Technically, viruses play no favorites. A virus will seek entry into a viable cell that it can then use to replicate itself. So, at the early stages of infection, the playing field is pretty level for all hosts. Yet,

humans have done pretty well against them.

But, once infected, the battle is now very personal. Each individual will have a different array of weaknesses, strengths, and defenses when dealing with infection. The formula is essentially the same for all infectious diseases; your risk for serious disease increases with weakened immune systems, chronic or acute disease in critical organs of your body, physical and emotional stress, and age (because all of your body functions are weakening and slowing down).

The battle with viruses is thus a personal battle. It is between the individual and the virus. Humans have the ability to enlist additional help, mainly with your physician. This is what physicians train to do – deal with each individual and their health issues. Governments have NO place in this battle.

Humans can influence the factors that will increase your risk. Viral load is always the key. So, poor building maintenance and sanitation can increase your risk. Lockdowns can increase your risk. Putting already sick people in with at-risk people REALLY increases their risks. But, the virus just acts like a virus.

Maybe during the past few months you understand your risks and potential outcomes. But, sometimes it may not always be clear because of all of the media hype. I can try to make it clearer for you.

I, personally, do not like to dwell on morbidity. Unfortunately, viruses can cause serious disease in some people and they may not survive. Even rhinovirus, which is considered pretty mild, can lead to death in a person who cannot handle either the virus or the opportunistic infections that may arise. The media has so hyped the deaths that I almost consider it a taboo subject; well, almost. But, we can learn from it and we should. Since the hype has been about how everyone will die from this, we can truly learn a lot from the mortality data and your risk as a younger person. So, here it goes.

Of course, we all know about influenza. Influenza is not a bad word because we have become used to it. In December of 2017, the World Health Organization quietly updated their estimate for the annual deaths due to influenza to 650,000. For several years, they had reported between 250,000-500,000 deaths annually, and this included all related deaths, respiratory and nonrespiratory. In the new report, the 650,000 death figure was based upon a narrower definition using respiratory causes linked to influenza. Compare the WHO estimate for the annual toll from influenza to the current world situation with coronavirus.

Coronavirus has been around certainly as long as influenza, but it was never given much attention even though it is responsible for a fair portion of the common cold. The underlying panic that has been induced since March has been directed at trying to convince people that somehow this virus will kill anyone who contracts the disease. Many people have bought into the hype but the facts do not support the message. At-risk groups are exactly that, at risk, but they are an extreme minority of the population. Additionally, immunity is a critical factor – the more healthy people experience the disease, the LESS the risk for the at-risk groups. The healthy people (that is mainly you, the younger generation) can protect the at-risk people.

The fact is that this virus is acting just like any other Upper Respiratory Infection (URI), despite the efforts to try and convince people that it is much worse than influenza. To some at-risk people, especially the elderly with poor health and impoverished people who live in difficult conditions with poor access to health care, it is very serious. But for healthy people within the population, especially you, it is a bump in the road.

No one wants to be sick, but most people experience mild disease, become healthy, and move on. In experiencing and recovering from this virus,

people are developing important antibodies to help not only themselves, but others in society. These people are the heroes of our society. All should be feted. Once enough people have experienced this virus, it will begin to wane, but will likely not disappear. It will maintain a baseline level of activity and quite likely join the other seasonal virus strains of influenza and rhinovirus. Maybe next year it will return, maybe not. If enough people have experienced the disease, the chances of an immediate return are slim. Next year, maybe it will be influenza or some other virus causing a pandemic (is rhinovirus due to become a problem?).

But, as a younger, healthy person, you are the key. It is time to break the myths that have been so eroding our society concerning this disease. The following and all subsequent data is from the U.S. CDC ([cdc.gov/nchs/nvss/usrr/covid_weekly/index.htm#age/andsex](https://www.cdc.gov/nchs/nvss/usrr/covid_weekly/index.htm#age/andsex)) concerning overall mortality in the U.S. since February 1, 2020, that is, the total number of people who have died from all causes compared to those who have died from COVID-19 or related causes.

Age	Population (Millions)	Total Deaths	% of Population	COVID-19 Deaths	% of Total Deaths
All	327	129,000	3.9	142,000	1.1
0-4	8.1	22,000	2.7	25,000	0.3
5-14	56	25,000	4.5	41,000	0.7
15-17	83	3,000	3.6	2,500	0.3
18-24	42.7	27,000	6.3	13,100	0.3
25-34	41	24,000	5.9	11,000	0.3
35-44	41.3	25,100	6.1	11,000	0.3
45-54	45.7	21,000	4.6	11,000	0.2
55-64	45	19,400	4.3	7,000	0.2
65-74	41.1	23,100	5.6	22,000	0.5
75-84	35	19,800	5.6	15,000	0.4
85+	23	1,000	4.3	15,000	0.7

What we can see first is that for the entire U.S. population, overall about 0.5% of Americans have died over that time, which is pretty much consistent with a modern death rate of about 1-1.5% each year. As one would expect, there is a direct age correlation to the risk of dying. Over the age of 65, the deaths increase in each age group and all of the groups above age 65 are above the national percentage of 0.49%.

Remember, the average life expectancy in the US is 78 years. Below the age of 65, the number of deaths within each age group decreases rapidly

with decreasing age. In the U.S for all ages, of the almost 1.6 million people who have died from all causes during this 6-month period, less than 9% have died from COVID-19.

COVID is NOT the major cause of death in the U.S, despite what you may be inundated with daily by the press on a minute-by-minute basis. In fact, it is not even close to the major cause. Further, school age children experience less than 1% of their deaths in their age group from COVID. That means that over 99% of school age children experience death from something OTHER than COVID!! Even college aged people experience a little more than 1% from COVID.

In the U.S. since February, there have been almost 260,000 confirmed cases of COVID-19 in the 0-17 age range (the actual case number is likely much, much higher, as you are probably aware). From the 0-14 age group data, there were 45 deaths. Let's assume that a total of 100 deaths can be figured for the 0-17 age group (sorry, the data presented by the CDC is not always correlated exactly to age group all of the time; they change their reporting structures, for some reason, probably because they contract out for their data). For an assumed 100 deaths in the 0-17 age group and 260,000 confirmed cases, that is a lethality rate of about 0.04% (the current lethality rate for the entire population based upon confirmed cases is about 3% (almost 100x more); if you calculate in the 10x factor from serology studies, it is 0.3%), if the 10x factor for actual cases holds in your age group, the lethality rate is now 0.004%.

For people in the driving age, you are more likely to die from an automobile accident than from COVID. Virtually all of the deaths in this age group were with children who also had serious underlying medical conditions. By comparison to the last serious influenza season, 2017-2018, *The New York Times*, Oct. 1, 2018, reported that there were 180 deaths from influenza amongst young children and

teenagers during that past season.

While it is difficult to draw a comparison with such low numbers, it certainly looks like young people handle this coronavirus pretty well, certainly equal to influenza, if not better. Certainly in 2017 there were no lockdowns, distancing, masking, school closures, border closures, or other disruptions. But you, the younger generation, are dealing with it well! I can relate, I experienced the Hong Kong flu in 1968 which was more lethal than this virus. It was not fun and I remember being sick, but I survived and my immune system became the stronger for it. I did miss some days of school but I have no recollection of the school closing.

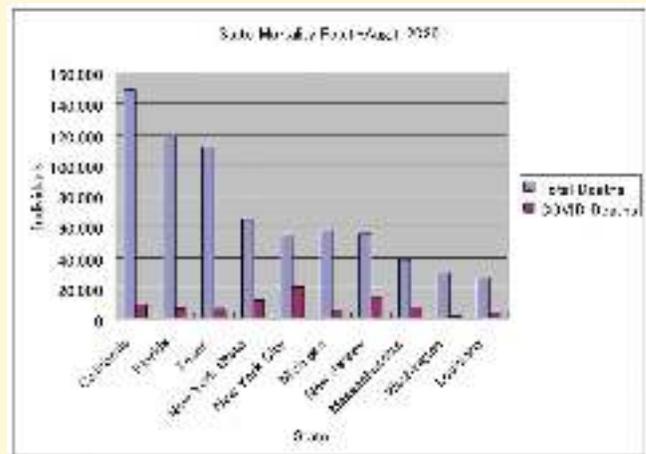
Next, we can see that the population that has taken the big hit is the elderly population. About 84% of COVID-19 deaths are from the over 65 age group. If you factor in the over 55 age group, you now account for over 97% of the deaths (this is my domain). A large percentage, almost 50% worldwide, of these deaths occurred in care facilities (is that an oxymoron?). But, what is even as significant is that looking at the overall mortality in these elderly age groups, COVID deaths still only account for about 10% of all deaths.

Remember, the life expectancy in the US is about 78 years. So, even for elderly people, there are other greater risks for death besides COVID. The U.S. is not unique in terms of these percentages; the rest of the world is reporting similar numbers. The U.S. also has a society with a much higher percentage of at-risk people dealing with obesity (34% adult obesity), hypertension, diabetes, heart disease, lung disease, etc.

In the *New York Times* article cited above, they also reported that 90% of deaths from influenza during that season were in the over 65 age group. So, the 2017 influenza pandemic maybe even took a greater toll in the over 65 group. We have vaccines and antiviral medicines for influenza, yet still the

toll was the same.

The data on mortality by each state in the U.S. is very interesting indeed. The following table shows the mortality rates in the states with the highest mortality numbers. Notice that for New York, there is a separation between New York City, and New York State. If you include New Jersey, and most of the damage was from Newark and surrounding areas, essentially a part of the New York metropolitan area, you get a very revealing picture. The mortality inflicted in this area of the country was devastating. Further, much of it was likely produced by the lockdowns when the virus was forced into the weakened populations. The mortality rate rose rapidly starting 2 weeks after lockdowns and peaked in mid-April.



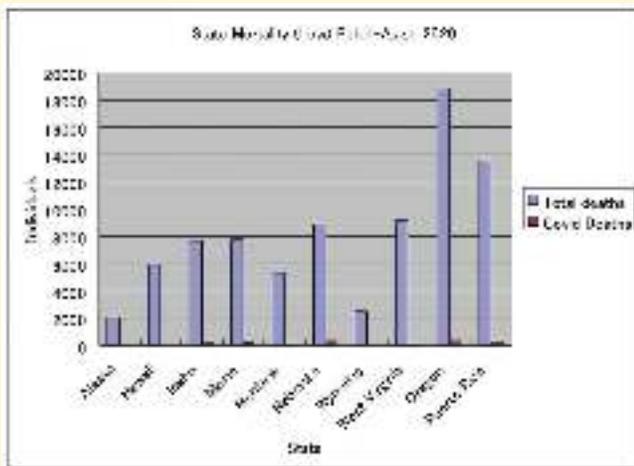
California has experienced the highest number of overall mortalities, which would be expected because they have the highest population. But check their COVID-19 death numbers. California has experienced a percentage of deaths from COVID far below that of New York, Michigan, New Jersey, and Massachusetts. California has experienced about 6% overall mortality from COVID compared to almost 38% for New York City and 18% for New York State. Look at the actions taken by New York State and City in terms of how they dealt with the virus and try to justify the statement by Dr. Fauci

that they “did it correctly.” Is he aware of the data?

By contrast, let’s look at the states with the lowest morbidity data. The following graph shows how these states fared with overall mortality compared to COVID-19. Clearly, COVID was a minor player in these states. Please note that Alaska, Hawaii, and Wyoming experienced a few deaths, but they do not arise from the baseline on the graph.

Does COVID want to go only after New Yorkers or others? No! There are many factors that go into the differences in these numbers. Population densities, individual health, local sanitation, poor living conditions (such as tenements), population education, local policies, health care availability, and poverty, all play a role.

Lockdowns are devastating in a place like New York City. But, if people stay at home in Wyoming, you have a good chance of slowing infection and reducing the viral load on each individual; but even in Wyoming, an elderly person with underlying conditions is at serious risk of death if they become infected. So, putting sick people into rest homes is not advisable ANYWHERE (even though that was what was done in New York). That part of the equation does not change. What is clear is that you cannot apply a one-size-fits-all policy across the nation. Yet, authorities have tried to impose their view of risk restrictions on everyone.



Clearly, you can see from the Government’s own data that you are the group of people who are capable of bearing the immunity load. The best advice that I can give is:

1. Keep yourself informed from multiple sources. Try to find the reliable information and test it. Recognize how the media has been corrupted and cannot be depended on to perform their expected function in our society.
2. Recognize how the governments, at all levels, have generally screwed this up (generally speaking that is, there are plenty of notable exceptions but far too few).
3. The electoral power is in your hands. The under 38 age group in the U.S. represents about 50% of the population. You have the ability to make the bad politicians pay the price for the misery inflicted. Do not be swayed by tribal loyalty. It is that tribal loyalty that has given the politicians the belief that they can get away with anything.

Look at some examples of what the older generation has done in the past few months to upend the future:

- We have created a fear and panic for a disease that falls into the normal realm of URI diseases that are experienced by humans.
- We have totally disrupted the lives and stability of billions of people over this panic.
- We have disrupted what should be normal medical functions in society. Hospitals turn away people if they do not have COVID-19. Is this really following the Hippocratic Oath? Doctors, nurses, and other healthcare professionals have generally been trying to do their best under difficult circumstances. But, they have had things imposed on them as well.
- Countless Autocrats have now risen, so-called leaders, who now impose restrictions on free

societies unprecedented in history, without openly showing the sources of their decisions, and who themselves suffer no consequences and do not experience the results of their decisions.

- We have thrown aside decades of learning on how to handle viral epidemics to revert to ancient superstitions. In short, we have regressed.
- We have virtually disintegrated normal societal functioning where people cannot even begin to socialize outside of their home environments. People snitch on others and openly attack people.
- We have destroyed people's ability to fend for themselves. Livelihoods have been taken away. There is a false choice in choosing between economy and health – this is a myth being given much too much life. Both economy and health are interlinked. That is why it is called “livelihood.” Our existence is defined by what we do and how we choose to live our lives. That is living and it separates us from other species. Health by itself, with no other substance, does not equate to actual living. The opposite is also true. Dr. Stephen Hawking was stricken by ALS at an early age. He lived the majority of his life confined to a wheelchair, unable to move or communicate without technology. But, he lived almost a normal life span and contributed immensely to not only his field but to the human experience.
- We have created an environment where people fear every other person. Social distancing has become social phobia (This is why I prefer the term “physical distancing”). Social interaction or health is another false choice being presented to create fear.
- We have essentially eliminated what defines humanity. That is, the arts, culture, social engagement, sports, etc. have all become taboo

because people are panicked that somehow they will all drop dead. Top world orchestras have resorted to demonstrating that playing their instruments is not going to cause the audience to succumb. I have played the trumpet since I was 10 years old. I have never transmitted a disease to another person from playing the trumpet. Anyone who knows how these instruments actually work would understand. Yet, the panic has been instilled.

- Young people, your hopes and dreams for the future certainly have been crushed. No school experience, no colleges, no learning, no culture, no sports, no socialization, no jobs, and a complete fear of life beyond, if you can call it life. Many are forced back into their parents' homes and have sacrificed their independence. Speaking for myself, if that had happened to me, I do not know what I would have done.
- We have let the media and social media platforms control the messaging while their profits increase and the rest of the society crumbles. Are they giving back any of their profits to the people who have lost during this period?
- People have chosen political sides, whether rightly or wrongly only because that is their tribe. A medical condition that can afflict anyone at any time has suddenly become an Us versus Them symbol. This has not only worsened the situation in the US but has propagated bad policies.
- We have witnessed unprecedented levels of censorship imposed on any dissenting voices. Rather than doing what the U.S. was founded on, a principle of open debate and decision-making, legal processes, and individual liberty, officials and media have joined together in an unholy alliance to stamp out any dissent. Even when the dissent is correct.

It is clear that most governments, at many levels, have no clue what they were or are doing or how to retreat. Of course, they are in over their heads and to admit any mistake is unthinkable; therefore, they must continue with the sinking ship (while safely sitting in the lifeboat next to the ship). They are also panicked. They are panicked because if anyone dies, they think that they will be blamed; such is the fear that has been induced during this. Much of the government actions were out of panic and fear and ignorance and those actions did a lot of damage. But, this is a virus. It is a working of nature and evolution with which we are all a part. The person who can best protect you, is YOU, not your governor or some other official! Everyone has to recognize the value of their immune system and work to strengthen it.

We are heading in a direction where too many people are willing to accept living a life in a bubble out of fear. Well, excuse me but that is not human life. If those individuals want to live their life in a bubble, that is their choice; build your bubble but you had better not choose plastic because corona-virus survives on plastic. Maybe a glass bubble is good; but what if the glass breaks? They will choose their risks and how they want to live their lives. But, that choice should not be imposed onto others either by individuals or governments.

Over half of the US population is under the age of 40. Yet, the country is run by a bunch of old-timers who have lost touch with what it means to lead all of the people. Where is your representation for the future, young people? My plea is for the younger generation to step up and start to take charge. It is time to send the ruling generation into retirement – and I mean EVERYONE. For several decades, people have avoided politics out of distaste.

Further, people have tended to ignore what the politicians are really doing to the country with the laws that they pass. Much of our problems with the press today can be traced back almost 4 decades

ago to the weakening of antitrust laws. How did that happen? The large corporations wanted more through mergers and acquisitions and they made sizable campaign contributions and guess what, they got what they wanted. Well, this is now what we get as a result.

If you want a future, your generation needs to start getting the best minds behind leading. Your future and the future generations of humans now depend on it.

August 12, 2020

How the Virus Penetrated Fortress New Zealand

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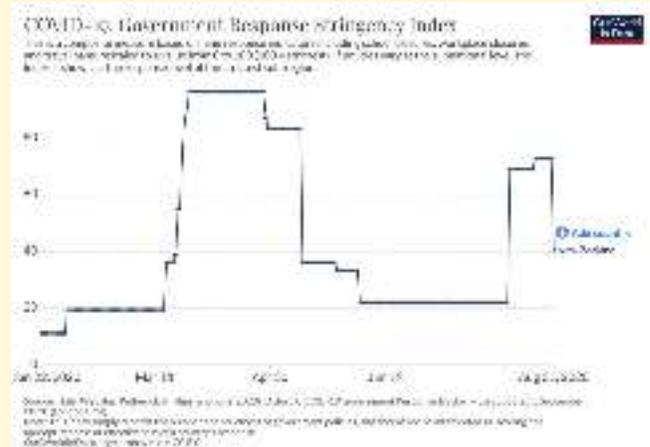
New Zealand was supposed to show the world how the pandemic could be halted. The island nation largely avoided the first wave of the outbreak in March on the account of its remoteness and the hasty imposition of border controls. As the novel COVID-19 virus ravaged its way across the vulnerable populations of Asia, Europe, and North America, New Zealand locked down its entire society.

*“No pestilence had ever been so fatal,
or so hideous”*

~ Edgar Allan Poe, *Masque of the Red Death*

On March 22, the nation’s government announced a month of sheltering in place. The order came from on high with the stroke of a pen, without legislative deliberation or even the process of law. Enforcement persisted for nine days despite having no legal justification – just an illegal executive decree by Prime Minister Jacinda Ardern. Months would pass before the country’s high court censured this abrogation of democratic governance. It did not matter. Ardern’s actions were “unlawful, but justified” to halt the pandemic, the bold actions of a “hero” who knew better than her own people.

For the next month New Zealand operated under the strictest lockdowns in the world, surpassing even communist China at the peak of its Wuhan region quarantine. The country reached an astounding 96.3 out of 100 points on the Oxford lockdown stringency index.



“Act like you have COVID-19” and stay home, came the order from above. Stores and businesses were forcibly shuttered. Internal movement around the country was forbidden, followed by restrictions on even leaving one’s own home, save to obtain groceries or medicine. Ardern ordered the military to patrol the streets for violators. Police set up a website to encourage New Zealanders to report on neighbors who ventured outside for unapproved reasons. New Zealanders used it to file over 4,300 reports within the first week alone. Arrests were made for “persistent breaches” of the mandate. The Prime Minister chasisted her citizenry for disobeying, and directed them to use the police snitch form – and all of this done at a time, as we now know, that her mandates still operated outside of the cover of law that it finally secured by post hoc legislative ratification in early April.

*“But the Prince Prospero was happy and
dauntless and sagacious.”*

Ardern's actions elicited barely a word of dissent, and those who did speak out found themselves the subject of scolding mobs. How dare they "question the science" – or the leadership of a rising progressive political star. Instead, the media showered her with praise and puff-pieces about her gimmicky uses of social media to soft-peddle the police state she had just imposed.

New Zealanders needn't worry about their slide into autocracy – the Easter Bunny and Tooth Fairy had been deemed "essential workers" and thus exempt from the decree. The rule of law had been sacrificed to epidemiology modeling and "nonpharmaceutical interventions."

Socialist Cindy placed her entire country under house arrest, and did so to thunderous applause for her boldness, her heroism, and her "science"-driven leadership. In the eyes of the press and much of the epidemiology profession, Ardern had become a model of COVID leadership for the world to emulate.

"A strong and lofty wall girdled it in. This wall had gates of iron. The courtiers, having entered, brought furnaces and massy hammers and welded the bolts. They resolved to leave means neither of ingress or egress to the sudden impulses of despair or of frenzy from within. The abbey was amply provisioned. With such precautions the courtiers might bid defiance to contagion. The external world could take care of itself. In the meantime it was folly to grieve, or to think."

New Zealand suspended its internal lockdown in mid-May after a month of shelter-in-place mandates and another half-month at a level of stringency that exceeded all but the hardest-hit European nations. In total, New Zealand police prosecuted over 600 lockdown violators, and issued warnings to another 5,000.

To the adoring news media however, Ardern's leadership had proven an unambiguous success. Owing to its early containment, COVID-19 never really took root in New Zealand and the tiny number of cases that made it through before the lockdowns proved to be a manageable number. "We are confident we have eliminated transmission of the virus in New Zealand for now," Ardern announced in early June.

Like much of the world, the lockdowns left New Zealand's economy in tatters. The country posted its largest GDP contraction in three decades for the first quarter of 2020. Much of the contraction likely stems from the country's tourism-heavy economy, which seems unlikely to recover anytime soon as it is effectively proscribed for an indefinite term by government mandate.

You see, Ardern's strategy for lifting the internal lockdowns rested upon maintaining one of the world's most restrictive border entry policies. The New Zealand border remains closed for all intents and purposes for foreign visitors prohibited save for a tiny number of exceptions. New Zealand residents who were stranded abroad at the start of the pandemic – likely numbering in the tens of thousands – may only return after going through a mandatory 14-day quarantine under strict guard at a designated border facility.

Persons who do not qualify for a handful of exemptions must also foot the bill themselves – a total of \$4,000 (NZ) for the privilege of being cooped up in a government-managed hotel room. Ardern's government has also intentionally restricted flights into the country as a strategy for rationing the available quarantine spaces.

For all intents and purposes, Ardern created Fortress New Zealand – a bubble strategy in which the internal reopening rests entirely upon the government's ability to erect and maintain a nearly impermeable barrier to entry from the rest of the

world. Furthermore, such a strategy must continue indefinitely until there is a coronavirus vaccine or cure.

“It was toward the close of the fifth or sixth month of his seclusion, and while the pestilence raged most furiously abroad, that the Prince Prospero entertained his thousand friends at a masked ball of the most unusual magnificence.”

It was supposed to be an occasion for celebration. New Zealand passed the mark of “100 days without COVID,” we learned on August 9th. New Zealand, it appeared, had beaten back and defeated the disease. Media commentators across the globe proclaimed the strategy victorious – an “emblematic champion of proper prevention and response to the coronavirus 2019 (COVID-19) pandemic.”

Epidemiologists used the occasion to proclaim vindication of lockdowns, border closures, and “science-based” progressive government. “New Zealand is seen as a global exemplar,” announced the World Health Organization’s Director-General in an August 10th statement. A combination of strict lockdowns, border closures, contact tracing, and enforcement had made New Zealand “COVID-free,” and for that Ardern’s government “would make no apologies.”

The American media, which had already been championing the New Zealand approach for months, touted the case as an example of what could have been if only the United States and other countries stuck with their lockdown strategies.

“In New Zealand, life is ordinary again after 100 days with no community spread,” announced a triumphalist report from NPR.

The 100-day mark also carried high political significance for Ardern, who came to power in 2017 under a tenuous coalition arrangement between the left-wing Labour Party with a smaller nationalist-populist party best known for its hardline

anti-immigration stance (Ardern reconciled her coalition at the time by adopting immigration restrictions of her own on the grounds that they would help to achieve “environmental sustainability”).

Under normal times the Labour-New Zealand First coalition might have expected a strong challenge from the center-right National Party, which holds a plurality of seats in the New Zealand parliament.

But 2020 was meant to be the COVID election – a victory lap for the governing coalition after having successfully driven the disease from the island nation, as the external world still struggled to contain the virus. Ardern used the 100-day mark to kick off her reelection effort with a day full of campaign stops and politicking to get out the vote. “When people ask, is this a COVID election, my answer is yes, it is,” she explained at a campaign launch party the day before the milestone. For all intents and purposes, the media predicted an easy coast to reelection, fueled by the successful defeat of the virus.

“And thus too, it happened, perhaps, that before the last echoes of the last chime had utterly sunk into silence, there were many individuals in the crowd who had found leisure to become aware of the presence of a masked figure which had arrested the attention of no single individual before.”

It happened on the 102nd day, and it took the world by surprise. The festivities of the milestone and the associated electoral campaign had yet to dissipate, but COVID-19 was back in New Zealand. A family of four tested positive in Auckland, triggering a panicked government plan to contain its spread.

Within 24 hours the country’s largest city was back under lockdown. Police checkpoints, internal travel restrictions, police and military in the streets,

arrests for violating lockdowns, runs on supermarkets, appeals to snitch on violators – a mad rush to contain the spread by any means necessary.

Government authorities still do not know how the virus made it through the border fortress, but it breached the walls nonetheless. Then the familiar, frantic pattern set in. The initial 3-day lockdown of Auckland became 12 days. As the expiration date approached, Ardern slapped on another emergency extension that will supposedly expire August 30. But coronavirus has a strange track record of converting previously habitable places into geographical oddities – two weeks from everywhere.

Media outlets that celebrated the 100-day milestone suddenly found themselves having to explain what went wrong, with little in the way of a plausible story. Within less than 24 hours of posting, NPR even hastily amended the aforementioned headline to account for the change of circumstances: “In New Zealand, Life Was Ordinary Again With No Virus Spread, But It Didn’t Last.”

“When the eyes of Prince Prospero fell upon this spectral image (which with a slow and solemn movement, as if more fully to sustain its role, stalked to and fro among the waltzers) he was seen to be convulsed, in the first moment with a strong shudder either of terror or distaste; but, in the next, his brow reddened with rage.”

The unexpected outbreak similarly upended Ardern’s predicted coast to reelection, taking the centerpiece of her campaign message with it. With evidence of the containment policy’s effectiveness shattered but an ideological resolve to double down and stay the course, the Prime Minister now comes across as simultaneously panicked, enraged, and flustered.

Amid the self-imposed chaos of the Auckland lockdown and mounting pressures from opposition

parties, Ardern exercised her legal prerogative as Prime Minister and pushed back the polling date by a month. It remains to be seen how New Zealanders will react when they go to the polls in mid-October, save to note that it will likely hinge on the uncertainty of the renewed lockdowns and on the competing parties’ abilities to frame the latest outbreak to their advantage at the ballot box.

The current outbreak notwithstanding, it still remains true that New Zealand has weathered the medical dimensions of the COVID-19 pandemic better than most. The country currently stands at a little over 1,700 cases and 22 fatalities – a tiny fraction of the devastation seen in hotspots around the globe. But these medical statistics conceal an unsettling reality about how Ardern’s government has weathered the crisis.

Far from a paragon of science-guided policy, the New Zealand approach hearkens back to the time of medieval plagues and associated superstitions – of walling oneself off in a castellated abbey in the countryside for the duration, of hoping, praying the crisis will pass by your fortress as it ravages the outside world, and of inevitably letting one’s guard down at a moment of frivolity and celebration.

And for a passing moment, such a strategy may nominally succeed – particularly if the fortress is isolated – as remote Pacific islands tend to be – and if one is willing to accept isolationism backed by the recurring and draconian enforcement measures to maintain it. But the fortress approach to a pandemic is neither a sustainable strategy for New Zealand nor an adaptable model for the rest of the world.

As the events of the last three weeks demonstrate, the perceived victories of the Ardern government on its 100-day milestone were fleeting, overturned in an instant by human error or even a chance occurrence that somehow allowed the virus to slip through the gatehouse.

The Ardern government’s current low case count

only conceals a much greater and self-inflicted vulnerability that arises from the lockdown strategy. The policy of eliminating COVID-19 by shutting out the rest of the world only “works” if one assumes that they can perfectly maintain the bubble until somebody on the outside discovers a vaccine, or the virus dissipates globally from external herd immunity.

“And now was acknowledged the presence of the Red Death.”

But the medieval strategy of lockdown-imposed isolation is inherently fragile – so fragile, in fact, that it can collapse into chaos at any moment, precipitating a mad rush to regain the illusions of control over the situation. If even the slightest thing goes wrong though – if somebody slips through the border with an undetected case, if a bureaucratic administrator makes a paperwork mistake, if a worker who came into contact with an infected person in quarantine forgot to wash his or her hands, or untold thousands of other similar scenarios play out – then the whole system of isolation and containment collapses. It’s back to rolling lockdowns, imposed without warning at any moment, and continuing in perpetuity.

Far from adopting this strategy as a model, the world must avoid the corner of perpetual recurring lockdowns in which New Zealand now finds itself. And New Zealand’s government would be wise to drop the hubristic pretensions of commanding and controlling a virus through medieval self-isolation, seeking instead an alternative strategy that is robust to unexpected setbacks and equipped for long-run recovery.

August 28, 2020

Mail Slowdowns Started 50 Years Before Trump

JAMES BOVARD

Contributor

Democrats and much of the media are screaming bloody murder over President Trump's latest Postal Service reforms. Trump recently approved an extra \$10 billion in federal credit for the floundering mail service. But because he is balking at \$25 billion in additional funding, he is guilty of "the weaponization of the U.S. Postal Service for the president's electoral purposes," according to the Leadership Conference on Civil Rights. Former President Barack Obama accused Trump of "undermining the Postal Service" to attack voting rights.

The Postal Service is hemorrhaging red ink and Trump's appointee as Postmaster General, Louis DeJoy, recently curtailed paying overtime for mail delivery. This is slowing some deliveries which some news reports are portraying as an unprecedented outrage. A *Washington Post* article condemned the Trump administration for seeking "to disrupt a constitutionally mandated government service during the coronavirus pandemic."

Actually, the Postal Service has been intentionally disrupting its own service since at least the Nixon era. At a high-level meeting in 1969, postal management decided "to no longer strive for overnight mail delivery and to keep this a secret from Congress and the public," the *Washington Post* reported in 1974. Management also considered cutting costs by educating Americans not to expect prompt service, according to the *Post*.

Back in 1764, colonial Postmaster General Benjamin Franklin proclaimed a goal of two-day mail delivery between New York and Philadelphia. In 1989, the Postal Service ratcheted down its goals, labeling as a success two-day delivery from New York City to nextdoor Westchester County, N.Y.

Under the new standards, the target for overnight first-class delivery was reduced from a 100-to-150-mile radius to often less than 50 miles. The Postal Service estimated that the changes could add 10% to the average delivery time for first-class mail, which was already 22% slower than it had been in 1969. Postmaster General Anthony Frank claimed that the revised standards would "improve our ability to deliver local mail on time." But this was simply because the Postal Service lowered the definition of "on time." The Postal Inspection Service concluded that post offices "generally have a negative attitude toward service improvement, even when the capability is there at no additional cost."

In 1993, the Postal Service created a task force to examine how it could profit by further reducing standards, shifting far more overnight mail into two-day delivery. That resulted in a trial mail slowdown in Florida with the Orwellian name, "Delivery First." That moniker didn't mean delivering the mail would become the highest priority, but that postal carriers' daily schedule was reversed. Carriers hit the streets first and sorted mail afterwards, adding at least a day to delivery times.

Beginning in 2000, the Postal Service quietly slashed delivery targets in much of the nation for first-class mail going beyond local areas. A 2006 Postal Regulatory Commission report found that the Postal Service scorned federal law requiring the "highest consideration" to speedy mail delivery. Instead, "administrative convenience resulted in mapping coverage of the two-day standard exclusively in terms of surface transportation." The commission found that "postal patrons in several Western states, including California, experienced

far more service downgrades than those in other parts of the country.”

In 2015, the Postal Service effectively eliminated overnight mail delivery even for local mail in much of the nation. With revised standards, “mail was considered on time if it took four to five days to arrive instead of three,” the *Washington Post* noted. Fifty-one senators and 160 House members ineffectively protested the slowdown. Roanoke, Virginia residents were skewered because local mail processing was shifted to Greensboro, North Carolina, doubling the time necessary for crosstown mail delivery.

Postal management claimed that its 2015 planned mail slowdown would save almost a billion dollars but the agency realized barely 10% of the expected savings. Congress moaned, groaned, and shrugged – and permitted the Postal Service to continue borrowing federal funds to cover its \$50+ billion in losses in prior years.

The Postal Service has gotten away with scorning its customers because it is effectively a federal crime to provide better mail service than the government. The Postal Service has a monopoly over letter delivery (with a limited exemption for urgent, courier-delivered letters costing more than \$3). The monopoly, which dates back to the 1840s, has become more indefensible with each passing decade. After a half-century of service cutbacks, why continue nationalizing the transport of small envelopes? Ending the postal monopoly could spur the same explosion in options for letter delivery that Uber and Lyft have created for transit.

But the monopoly will not be the decisive issue in the coming debacles. Even if Trump approved \$100 billion for the Postal Service, the deluge of mailed ballots in November will be perhaps the greatest election fiasco in American history.

In New York City, officials struggled for six weeks to count mail-in ballots from the June primary.

Up to 20% of ballots “were declared invalid before even being opened, based on mistakes with their exterior envelopes,” the *Washington Post* noted, thanks largely to missing postmarks or signatures. The New York City Board of Elections provided voters with more than 750,000 ballots with prepaid return envelopes, but the Postal Service routinely doesn’t postmark prepaid envelopes, resulting in a huge number of disqualified ballots. The *New York Daily News* labeled the primary snafus as a “dumpster fire” while a *New York Times* headline described it as “the November nightmare.”

Other states also had mail-in train wrecks. In Wisconsin, more than 20,000 “primary ballots were thrown out because voters missed at least one line on the form, rendering them invalid.” In Virginia, almost 6% of mail-in ballots for primary elections were rejected for arriving late. In Nevada, almost a quarter million ballots sent to voters were returned as undeliverable.

State election systems will be overwhelmed this year by a ten- or twenty-fold increase in the number of ballots cast by mail. Democratic activists are calling for changes to state laws to permit the counting of ballots that arrive after Election Day and for abolishing standards to assure the integrity of the individual ballot. Such changes are practically guaranteed to produce far more confusion, delays, and distrust for election results.

“The post office has been run poorly for many, many decades,” Trump declared last week. In a less histrionic era, the Postal Service’s failures could spur Congress to finally remove the roadblocks to private innovation in letter delivery. Instead, the coming delivery debacles may become the conspiratorial RussiaGate of the 2020 election.

August 18, 2020

The Gaslighting of the American People

CAROLINE BREASHEARS

Contributor

You've heard it before: you're the victim of political gaslighting. Depending on the news source, the villain might be President Trump, or Governor Cuomo, or Senator Sanders, or Gambian President Barrow. But gaslighted you are.

How are you "gaslighted?" A narcissistic leader and his supporters have persuaded you to believe what you know to be false. This is not just *politricks* as usual: it's an assault on your sense of reality. And you know *that* because journalists have told you so.

You hear it so often that you might even suspect you are being gaslighted into believing you are gaslighted. After all, many of these articles are hit pieces on politicians, not defenses of your right to transparency from government servants.

But the danger is real, and if we are truly concerned that Americans are being gaslighted, then we need to move beyond partisan bickering to face the most tragic, widespread instance in recent memory: the federal government's mishandling of the pandemic.

Nothing illuminates our peril more clearly than the inspiration for this trending concept: George Cukor's film *Gaslight* (1944). Its heroine, Paula, is gaslighted by the husband sworn to love her into believing she is insane and must be locked up. And now we, the American people, have been gaslighted by the government elected to protect us into believing that we would all die unless we were locked down.

The dangers Paula faces in her own home dramatize those we face in our national house: the loss of current freedom and future wealth. And to understand how we got here, we have only to trace her winding path from confusion to resistance to passivity.

"I must get out of this house:" Locked Up

Gaslight opens by presenting Paula (Ingrid Bergman) as particularly vulnerable because it was she who discovered her aunt, the prima donna Alice Alquist, murdered in their London home. Traumatized, Paula departs for Italy, where a decade later she is persuaded to marry a man she has known for just two weeks: the suave Gregory Anton (Charles Boyer).

Gregory manipulates Paula into settling in the London house, where she shows him a painting of her aunt in the role of Empress Theodora, which was the favorite of her admirer, the Russian tsar. To avoid distressing Paula with reminders of her aunt's murder, Gregory moves all of Alice's things into the attic, which he has boarded up.

And then the torment begins. Gregory tells Paula that she is inclined to lose things, that she has become forgetful. Initially she demurs: she doesn't lose things! But he makes sure that she does, stealing away the pendant he has just given her, creating doubt.

Then Gregory says she is too ill to leave the house or receive visitors. He will care for her. Paula tries to go for a walk, but the saucy maid (Nancy) that Gregory hired intimidates her, slyly inquiring, "S'pose the master asks where?" Paula stutters and retreats. And every night Gregory sends her to her lonely room while he goes out to "work."

In a last burst of rebellion, Paula declares that she will go to a musical party: "I must get out of this house, meet people, and see all that's going on in the world." So he acquiesces. And during the concert, he "discovers" that she has placed his pocket watch in her reticule. Paula breaks it.

Tormented by isolation and lies, it is no wonder that Paula doubts her own sanity. And so she is ready

when Gregory declares his intention to have her locked up for good.

It is chilling to trace her journey—confusion, fear, resistance, defeat—especially because we’ve just been through it. Like Paula, we’ve been isolated and subjected to arbitrary rules at the behest of those supposedly looking after our interests. And the results are devastating.

“Flatten the curve:” Locked Down and Up

Consider: our government said that COVID-19 was dangerous, and we must be cautious. Millions could die. But masks were unnecessary. Put those down, the CDC said. Just practice social distancing. Wash your hands. A lot, they reminded us. And then put on your mask. What do you mean, what mask? How could you forget your mask? The CDC recommends them. Many states require them. Shame on you.

Is it any wonder that we, like Paula, felt confused and afraid?

And so we followed orders. Our government said to stay home, to stop working, to avoid people while they leveled the curve. And we did, although with some hesitation amidst the pressure. After all, our federal government had our best interests at heart.

And if we resisted, there were governors to protect us from the dangers of buying seeds, and mandates to place infected patients back in nursing homes.

You’ll object, of course, that our government’s motives differ: Gregory is narcissistic, while our government has good intentions. That’s true to an extent. But those intentions are powered by elitism and hubris, which render the government far more dangerous. Because they believe they know best, they will never stop “fixing” things. And so they lie to themselves as well as us.

The results are evident. The CDC’s initial testing kits were flawed. Deaths in nursing homes exploded. Domestic violence surged. Mental health issues from the lockdown skyrocketed, including increased

suicides.

Like Paula, we wanted to get out. We began to feel not so much locked down as locked up.

And we began to wonder if we’d been gaslighted into ceding our rights to a power as arbitrary as it was fallible.

Dimming the Gaslights

What should now be clear to us as well as Paula is that we’ve lost control of our own house.

Worse, those we’ve chosen (married or elected) along with those we have not (the household servants, the career bureaucrats) not only limit our freedom of movement: they assume increasing powers over our present and future wealth.

Gregory’s financial motive surfaces only in the last third of the film, when we see him sneaking into the attic to search Alice Alquist’s things. His goal was always to acquire Paula’s house so that he could find the crown jewels the Russian tsar gave Alice—jewels for which Gregory murdered her a decade ago.

This is when the physical gaslighting occurs: every night he turns up the gaslight to search the attic, so the gas is diverted from Paula’s bedroom. She sees her lights dim, but the treacherous maid who is loyal to Gregory denies it. And so Paula is psychologically gaslighted, betrayed into doubting what she sees.

The redirection of the gas from Paula’s room to the attic also symbolizes Gregory’s goal of diverting her inheritance to himself. Once she is in an asylum, he obtains all. The original gaslighter’s motive was always the oldest of all: greed.

Fortunately, the film’s hero, Scotland Yard Detective Brian Cameron, suspected something was wrong. He visits Paula on the very night that Gregory realizes the jewels were sewn into Alice’s famous Empress Theodora gown, which was right in front of him all along. And now they are restored by Detective Cameron to Paula as her rightful property.

How our Government CARES

If we are outraged by Gregory's theft, we should be more so by our government's handling of the pandemic. We may not see a literal gaslight dimming, but we can spot evidence of resources being diverted or dissipated by poorly designed programs, such as the CARES Act.

Using that act, our government said it would take care of the financial distress. And so our experts mailed relief checks to Americans, often boosting incomes above what they had been before the lockdown and creating disincentives for some to return to work. For other recipients, chiefly the million dead people, the checks provided no benefits at all, except perhaps the exercise of spinning in their graves.

To be fair, in some cases, the jobs that citizens were forced to leave either no longer exist or are on the verge of being eliminated, as more businesses file for bankruptcy due to the lockdown.

Meanwhile, government spending is driving up the national debt, which could "crater" the economy, Nick Gillespie warns. And the Federal Reserve is expanding its focus to include fiscal policy. As Alexander Salter argues, "Its new interventions threaten to undermine the integrity of financial markets for years to come."

Do you see your financial future dimming yet? Even now, our government is planning additional programs that will waste money, encourage corruption, and endanger our future prosperity. Our well-intentioned experts refuse to see the limits of their own knowledge.

How is this all to end? In *Gaslight*, Paula obtains the jewels and confronts Gregory. Posing as the insane woman he tried to create, she pretends she could kill him with impunity. But she doesn't. She turns him over to Scotland Yard. Detective Cameron muses, "In the morning when the sun rises, sometimes it's hard to believe there ever was a night."

Like Paula, we can reject gaslighting and insist on regaining our rights, though whether we will forget this nightmare is debatable. Punishing our persecutors is certainly beyond us.

A pity.

August 6, 2020

We Need a Principled Anti-Lockdown Movement

JEFFREY A. TUCKER

Editorial Director

Shell-shocked is a good way to describe the mood in the U.S. for a good part of the Spring of 2020. Most of us never thought it could happen here. I certainly did not, even though I've been writing about pandemic lockdown plans for 15 years. I knew the plans were on the shelf, which is egregious, but I always thought something would stop it from happening. The courts. Public opinion. Bill of Rights. Tradition. The core rowdiness of American culture. Political squeamishness. The availability of information.

Something would prevent it. So I believed. So most of us believed.

Still it happened, all in a matter of days, March 12-16, 2020, and boom; it was over! We were locked down. Schools shut. Bars and restaurants closed. No international visitors. Theaters shuttered. Conferences forcibly ended. Sports stopped. We were told to stay home and watch movies...for two weeks to flatten the curve. Then two weeks stretched to five months. How lucky for those who lived in the states that resisted the pressure and stayed open, but even for them, they couldn't visit relatives in other states due to quarantine restrictions and so on.

Lockdowns ended American life as we knew it just five months ago, for a virus that 99.4-6% of those who contract it shake off, for which the median age of death is 78-80 with comorbidities, for which there is not a single verified case of reinfection on the planet, for which international successes in managing this relied on herd immunity and openness.

Still the politicians who had become dictators couldn't admit such astonishing failure so they kept the restrictions in place as a way of covering up

what they had done.

That shock of Spring has now turned to a Summer of wickedness, with everyone pointing fingers at everyone else for the sorry state of life. Patience has run out and a national viciousness has taken its place. It is evident not only online but in person where strangers scream at each other for behaving in ways in which they disapprove.

What many states are calling "open" today would have been called "closed" six months ago. Sports are rare. Theaters aren't open. In some places, you still can't go to gyms or eat inside. Mask mandates are everywhere, and mask enforcers too. People are ratting out their neighbors, sending drones to ferret out house parties, and lashing out at each other in public places.

In a mere five months, lockdowners have manufactured a new form of social structure in which everyone is expected to treat everyone else as a deadly contagion. Even more preposterously, people have come to believe that if you come closer than six feet of another person, a disease spontaneously appears and spreads.

America has become an extremely ugly place. This is what lockdowns did.

All of this has occurred in the midst of the greatest political divide in many generations. Oddly, you almost predict a person's politics based on their attitude toward the virus, as if sitting political figures are responsible for creating or controlling pathogens that have been part of the human experience since we first walked and talked. The politicization of this disease has been a terrible noise that has distracted from the wise disease management that characterized the American way for more than a century.

But the American people support this, right? I'm not so sure. It's true that the TV and online media are blaring panic all day every day. If that's where you get your information, it surely must feel like a plague. There is also the problem that people feel tremendously powerless right now. They have been locked down, silenced, humiliated, brutalized. The few attempts to get out and protest the lockdowns were greeted with jeers and derision by mainstream media. But it turned out that this was because they were protesting the wrong thing. When the protests against police brutality and racism swept the country, the media wholly approved. Yes, it all felt like gaslighting.

Where precisely does American opinion stand on lockdowns today? The polls one cannot trust: people know exactly what they are supposed to say to pollsters during a police-state lockdown. It's usually a good guess that one-third of Americans take a position that is more-or-less consistent with human liberty – it's not a fixed group and it shifts depending on the issue – so that's probably a good guess now.

The incredible frenzy of the lying media has confused vast numbers. A poll revealed that many Americans think that 9% of us have died from C-19 whereas it is really 0.04%. So yes, we have a propaganda problem, starting with the *New York Times*, which just today demanded “more aggressive shutdowns than have been carried out in the past. The United States has not had a true national lockdown, shuttering only about half the country, compared with 90 percent in other countries with more successful outbreak control.”

None of which is true. This is pure ideological propaganda. The people who are saying true things seem to be only the 1% vs. the barrage of nonsense coming from media culture today.

We see almost no discussion in the mainstream press of the empirical evidence at home and

abroad that the lockdowns make no sense from a medical and economic perspective. Medical experts for many decades have warned against disturbing social functioning in the event of disease. Preserving freedom has always been the policy priority: 1949-52, 1957-58, 1968-69, and 2005. The American revolution itself took place in the midst of a smallpox outbreak. Liberalism arose during centuries of pandemics.

And yet here we are.

This country needs a serious anti-lockdown movement, one that is not just political but cultural and intellectual, one that is deeply educated on history, philosophy, law, economics, and all sciences, and can rally around traditional American civic postulates concerning individual freedom and the limits of governments, and also around universal principles of human rights. If liberty means anything, it means that we are not locked down. It means, moreover, that lockdowns are unconscionable.

What should this movement – which need not be formally organized – study, believe, and teach?

Because property rights are the first violated in lockdown, the movement needs to embrace and champion the right of private ownership and control: of businesses, homes, and ourselves. The liberal tradition has long affirmed this principle, and it is nothing but appalling that the lockdowns took place as if private property doesn't exist. Suddenly everything and everyone belonged to the state, and it would be the state to declare what is or is not essential, or even what is elective vs. nonelective for your medical care.

It should embrace the freedom to choose our associations, since that is what came under attack next: we couldn't gather in groups, hold conferences, go to the movies, do anything not “socially distant” (I'm so sick of that phrase, with dubious origins, that I could barely type it), or even go to

another state to visit friends and relatives.

This movement needs to celebrate and defend religious freedom, since, incredibly, most houses of worship were forcibly closed by government. The modern idea of freedom came about in the late Middle Ages when exhaustion from religious wars gradually gave rise to the idea of tolerance. Religious toleration was the first great freedom that came to be codified in law. It's stunning that it was so flagrantly violated this year.

It must come to terms with free enterprise and the innovation that comes with it. How much wealth and creativity has been lost in the lockdowns? It's unfathomable. The biggest victims have been small and medium-sized businesses, whereas the large tech firms have thrived. To start and manage a commercial enterprise is a human right, the realization of which was the great achievement of modern life, as it spread prosperity throughout the world and lifted up the world's people from the state of nature and to levels of the entrenched hierarchies of old.

Part of this liberal ideal is free trade, which has come under fire from both the left and right. Don't forget that Donald Trump kicked off this dictatorial frenzy with his sudden and shocking bans of travel from China and Europe, which resulted in a frenzied and frantic mass crowding of airports in the days following. He did it with a stroke of a pen, overriding all his advisors. He still brags about it.

How much did his extreme reaction here inspire governors to do the same? Of course his actions reflect his persistent isolationism on not only trade but immigration too. Even now, Trump is refusing to allow foreign workers into the U.S. (except for emergency cases) because he incorrectly believes this will help the American job market. It's an outrage: free enterprise entitles the employment of anyone from anywhere. This is a policy that is good for everyone.

So long as we are talking about freedom

fundamentals, let's talk about masks. They have become exactly what the *New England Journal of Medicine* called them: a talisman. They are symbols of social commitment and political loyalty. A free society rallies around individual choice, so if masks make a person feel safe, or if it makes them feel they are keeping others safe from their breath, fine. But when people attack others for resisting wearing them, and are apparently upset at the seeming appearance of rebellion from rules, this is imposition and intolerance – perhaps understandable given the times, but still illiberal.

Laws requiring face coverings in public would never have been tolerated even six months ago. And yet here we are, not only with laws but a growing number of recruits within the public to enforce them with appalling rudeness. It's hardly the first time in history. American sumptuary laws in Colonial times mandated that people not dress in fancy clothes for reasons of piety and social conformism. Part of the capitalist revolution included the freedom to dress as one wants and the mass availability of fashion for everyone. The mandatory mask movement and its shock troops among the public is but a revival of puritanism.

The lockdowns crushed the economic prospects of millions, and government attempted to make up for that with wild spending of other people's money and an unprecedented use of the printing press, as if government can somehow paper over the destruction it caused. Therefore, the anti-lockdown movement needs a commitment to fiscal sanity and sound money. We now know that a government with the capacity to create unlimited amounts of paper money cannot be constrained. This needs to be fixed.

As for health, the topic or excuse that unleashed the lockdowns in the first place, we surely should learn from this experience that politics and medicine need to be separated with a high wall. We have medical professionals who are traditionally in

charge of mitigating disease, and they do so in line with their own professional associations and best judgement. Politics should never override the doctor/patient relationship, nor presume to know what is better for us than our own physicians.

On the matter of education, governors all over the country cruelly locked down all the schools, though there is near-zero threat to kids from the virus and there is no verified case of a child passing C-19 to an adult. Perhaps a small silver lining is that we have learned more about how parents can exercise more control over education than they have previously had. The anti-lockdown movement needs to embrace a multiplicity of educational alternatives including the possibility of full privatization so that education can again be part of the free enterprise matrix.

It's true that anti-lockdown carries a negative connotation. Is there a better word to convey the positive dimension? My preference: liberalism. Progressives have abandoned it. It is also correct from a historical and international perspective. Liberalism and modernity are inextricably linked in history, says Benjamin Constant. A liberalism of the future needs to be prepared to understand, advocate, and fight for freedom in a non-lockdown world. No exceptions.

Which takes us to the final point. Whether this movement is working in the realms of academia, culture, journalism, or politics, there is an absolute urgency that it exercise unrelenting moral courage and integrity. Ferociously. It should be uncompromising on crucial points. It must be willing to speak even when it is unfashionable to do so, even when the media is screaming the opposite, even when the Twitter mob floods your notifications, even when you are shamed for thinking for yourself.

This time around, as you have surely noticed, even the voices of good people with good ideas fell silent in fear. This fear must be banished. The blowback against this despotism will come but it is not enough. We need character, integrity, courage,

and truth, and this perhaps matters more than ideology and knowledge. Knowledge without the willingness and courage to speak is useless, because (as E.C. Harwood taught us) for integrity there is no substitute.

In the end, the case for unlocking society is a spiritual matter. What is your life worth and how do you want to live it? How important are the hard-won freedoms you exercise daily? What of the lives and liberties of others? These are everything. Freedom has never prevailed without passionate and courageous voices to defend it. We have the tools now, many more than before. They can throttle us but can't finally shut us down. The notion that we would fail to speak for fear of the Twitter mob is absurd.

This movement, whether it is called anti-lockdown or just plain liberalism, must reject the wickedness and compulsion of this current moment in American life. It needs to counter the brutalism of lockdowns. It needs to speak and act with humane understanding and high regard for social functioning under freedom, and the hope for the future that comes with it. The enemies of freedom and human rights have revealed themselves for the world to see. Let there be justice. The well-being of us all is at stake.

August 9, 2020

Fact-Checking Fauci

PHILLIP W. MAGNESS

Senior Research Fellow

In recent congressional testimony Dr. Anthony Fauci, the primary architect of the Trump administration's COVID response, painted a bleak picture about the United States's ability to contain the pandemic. According to Fauci's narrative, the United States is experiencing a resurgence in regional COVID outbreaks because it failed to sufficiently lock down back in March, and failed to comply with the existing lockdown orders. Fauci specifically contrasted this situation to several European states that imposed lockdowns around the same time, claiming the latter as a successful model for COVID containment.

There are several immediate problems with Fauci's arguments, including the fact that COVID cases are showing clear signs of a summer resurgence in the same European countries that allegedly tamed the virus through harsh lockdowns in the spring. The American news media however has seized on Fauci's narrative, and used it to call for renewed lockdowns. The *New York Times* and the *Washington Post* both editorialized in favor of a second stricter wave of nationwide lockdowns lasting until October – this despite there being no clear evidence that lockdowns actually work at taming the virus.

So how does the evidence behind this narrative stand up under empirical scrutiny? Let's consider the claims.

Did the United States react too late?

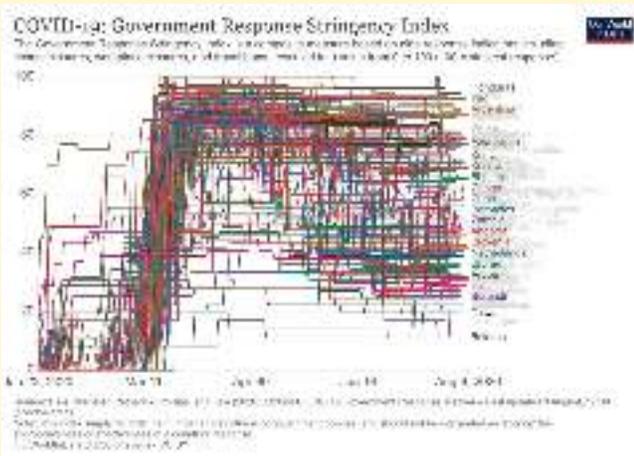
According to the pro-lockdown narrative, the United States is experiencing a second COVID wave because it took a lackadaisical approach to locking down. We allegedly closed too late and reopened too early, leading to a failure to tame the virus in the

spring. This same narrative often holds up Europe as a counterpoint for what a cautious, responsible, and evidence-based reopening process supposedly looks like.

I've investigated this claim previously using start and end dates for the lockdowns in various countries. Simply put, it is entirely without merit.

Most of the United States went into lockdown during the second and third weeks of March, following a set of Trump Administration recommendations that were based on the now-discredited Imperial College epidemiology model of Neil Ferguson. In total, 43 of 50 American states imposed shelter-in-place style lockdowns, with the holdouts consisting almost entirely of rural western states with low population density and few signs of the outbreaks that plagued the cities of the northeast at that time.

As far as timing goes, the US lockdowns came into effect at almost exactly the same time as not only Europe but the majority of the world. A few early outbreak hotspots such as Italy preceded this shutdown by about 2 weeks, and a handful of countries (Sweden, Taiwan, Belarus) bucked the international trend. But otherwise, the timeline clearly confirms that the American response directly coincided with most other countries.



Did the US reopen too early?

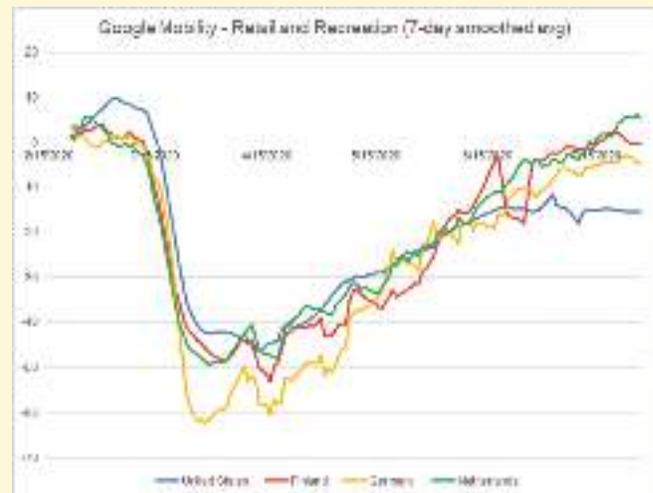
What about reopening then? As I also previously discussed, the United States has generally lagged behind most of Europe in removing the lockdown measures from March and April. Most European countries began their reopening efforts in late April or early May. As of June 1st, the United States’ COVID response stringency score – a measurement of lockdowns and related closures maintained by Oxford University’s Blavatnik School of Government – outranked every Western European nation except for Ireland and Belgium.

Although some US states such as Georgia, Colorado, and Texas began to reopen in late April, this process began no earlier than the first of their European counterparts. Far more often, American states have lagged behind Europe by as much as a month or longer. Several hard-hit states such as New York, New Jersey, and Massachusetts, as well as population centers such as California, adopted a strategy of extremely cautious and tepid reopening. Many extended their shelter-in-place mandates until late May or even June. They also adopted lengthy bureaucratic reopening guidelines that spread the process over several phases to the point that most of the US remains more heavily restricted than Europe to this very moment.

Equally revealing, we may still see the clear

effects of the United States’ slower reopening in key metrics from Google’s publicly released cell phone mobility data. From the start of the lockdowns in March until roughly mid-May, US mobility patterns map almost identically onto at least three European countries that similarly locked down: Germany, the Netherlands, and Finland. All three of these countries began to reopen during the first and second weeks of May. Large swaths of the US, and particularly its population centers, remained under lockdown or only a heavily restricted reopening at this point.

The divergence in policies is clearly visible in Google mobility patterns. Whereas Germany, Finland, and the Netherlands all returned to near-normal levels of mobility in late May and June, the United States’ reopening process stalled around the same time and remains at a plateau that is still well-below normal.



The pattern also appears when we compare the US to other European countries, including those that – at least temporarily – had more stringent shelter-in-place orders in effect. In most European states, mobility patterns rebounded past the United States in early to mid-June after the American reopening stalled. Today, only the UK exhibits a more pronounced closure than the US while Spain similarly plateaued.



Were the US lockdowns less stringent than Europe?

According to Fauci’s testimony, the US imposed far less-stringent lockdown measures than Europe, which he then attributes to the resurgence in cases. This is a complex question to answer because European states varied quite a bit in their lockdown policies and the duration of each. That much noted, nation-level scores such as the Oxford stringency index belie the claim.

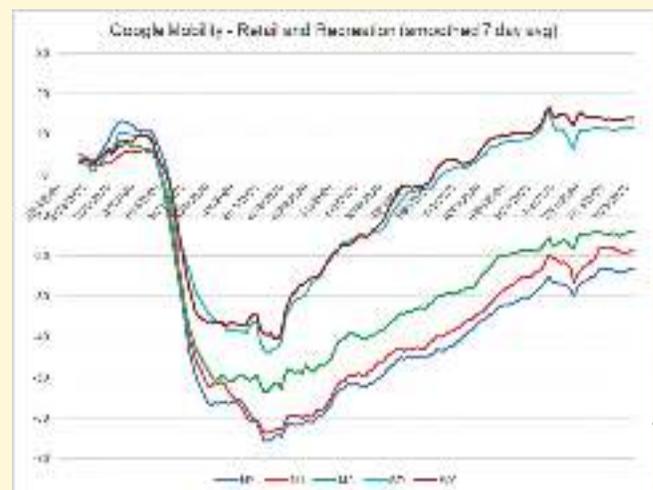
The Oxford index uses a 0 to 100 score to measure stringency, awarding points for a variety of policies including border closures, school closures, event cancellation, non-essential business closures, and shelter-in-place mandates, as well as other non-pharmaceutical interventions such as public information campaigns. From the start of the lockdowns in mid-March until June, the United States stringency score sat at 72.69 out of 100. This was comparable to the peak score for the Netherlands (79.63), Germany (73.15), Norway (79.63), Denmark (72.22), and Switzerland (73.15). It was also above Finland’s peak score (60.19) as well as Sweden (40.74), the latter of which did not go into lockdown and only adopted more modest social distancing guidelines.

The US did have a less-stringent score than some of

the hardest-hit European countries – but only temporarily. Italy (93.52), France (90.74), Ireland (90.74), and Spain (85.19) imposed more stringent lockdowns than the US, but only for about two months between March and April before rapidly relaxing their restrictions.

Fauci presumably had this much smaller list of countries in mind when he claimed they employed a stricter lockdown than the US, although the evidence is flimsy at best. Measured on a per-capita fatality basis, Italy and Spain had more severe outbreaks than the US, and France currently sits at near-parity. These patterns may change, particularly as each country experiences a second wave in the late summer, but they do not exhibit even modest inverse correlation with the lockdown policies of each country. If anything, the more-stringent policies in locales such as Italy and Spain were likely reactive – they were imposed out of desperation in response to a viral outbreak that appeared to be spinning out of control in these early months. Indeed, the mobility data suggest as much with the most severe declines from the March-April period occurring in the hardest-hit locales and generally starting slightly before they went into lockdown.

Returning to the United States, we see similar variation in the mobility declines when we compare hard-hit states such as New Jersey, New York, and Massachusetts with non-lockdown states such as Wyoming and South Dakota.



either severity of the outbreak in a given region or the voluntary behavioral responses to the same. This problem afflicts both the worst-hit European countries and the worst-hit US states, but it does not illustrate a failure to impose sufficient lockdowns in each.

In sum, there's no clear evidence that aligns with Fauci's claims about European lockdown stringency. On the whole, the US locked down at a comparable level to several European countries according to the Oxford index, with the exception of the hardest-hit locales – and those locales only surpassed us during their peak outbreaks of March and April, followed by a much more rapid relaxation of the restrictions. Meanwhile the US has clearly retained its lockdown policies for longer than almost all of Europe, and continues to stall behind Europe's reopening process.

Is the US less compliant with public health mandates than Europe?

Although it is more of an implication than a claim from Fauci's testimony, the media has embraced a final narrative that asserts the United States is less-compliant than Europe in obeying public health mandates. If this were true, the US might have nearly identical policies in place on paper and yet still perform poorly compared to European states where compliance was higher.

Unfortunately, compliance with public health mandates during COVID is difficult to measure. One exception is also a flashpoint of political debate in its own right – the wearing of masks.

Fortunately, extensive survey data exist to track mask-wearing habits of the public since the start of the pandemic. Last month the *Economist* magazine published a comparison of available survey response rates over time. Briefly summarized, roughly 70% of the US population indicates that it currently wears masks in public places. Mask-wearing has exceeded 60% in the US since early April, despite following

several weeks of contradictory advice on masks from public health officials including Fauci himself. US mask-wearing rates are also higher than Canada. It also lags only slightly behind the roughly 80-90% usage rates in east Asian countries, where masks were already a much more common pandemic response.

The fascinating twist to the mask story though is Europe. Mask usage soared in Spain, Italy, and France during the peak of their outbreaks, topping just over 80% or slightly above the US. But mask-usage in Northern Europe remains far below US levels even to this day. No Scandinavian country topped 20% in mask usage even at the April peak of the pandemic (they've since declined in number), and the United Kingdom hovers at only 30% in the most recent polling from late June. All said, US mask-wearing is only slightly behind the worst-hit parts of Southern Europe and well ahead of Northern Europe. Insofar as masks may be used to signal compliance with a specific and high-profile public health mandate, there does not appear to be any evidence that the US has fallen behind other countries.

Making sense of it all

Collectively, the data above offer no clear support behind four major claims of the pro-lockdown narrative being spun by American media outlets in the wake of Fauci's testimony. To the contrary, several data points directly conflict with both the express claims of Fauci's testimony and its implied interpretations, as advanced by outlets such as the *New York Times*. The US response to the COVID-19 pandemic largely paralleled Europe in its early months, and only diverged from that pattern in the opposite direction of the media's narrative. While Europe began to reopen and did so earlier and faster, the United States reopening has stalled.

What then are we to make of the recent case surges in the southern US and on the west coast? Most likely, they reflect the regional nature of the virus's

spread as it migrates into population centers than largely escaped the first wave in March and April. The threat of further spread remains a public health concern, particularly as it pertains to vulnerable populations such as nursing homes. But its pattern has little if anything to do with the lockdown orders – an ineffectual approach to mitigating the virus, but also one with severe social and economic harms.

Unfortunately, the pro-lockdown position favored by Fauci and several US media outlets has become a matter of ideological commitment. Whether they are doing so to rationalize the costs we have already incurred from this disastrous approach or to further politicize the pandemic response for a variety of electoral and partisan purposes, they have embraced a pro-lockdown stance that is unchained from any evidence or clear data. It should not be surprising that their accompanying narrative to justify that stance is similarly detached from reality.

August 10, 2020

The New Fascism

GEORGE GILDER

Senior Resident Fellow

Up here in Massachusetts, in the Berkshire Hills, we have a new form of fascism that might well be called “phasism” as our Governor Charlie Baker phases out our freedoms and our economic life. Banning music and theater and Tanglewood concerts and tennis tournaments and baseball games and track meets and schools and colleges, he has put his knee on the arterial flow of our tourist and services dependent economy and it can no longer breathe.

For the last couple months, I’ve been hunkering down and hiding out from this mad-phasist Fuhrer with his menacing black mask inscribed *Science will Win* and his new COVID forever police state.

Imposing a new travel ban and new alcohol prohibition rule early in August while COVID deaths sink to virtually none, the Governor has been rescinding “step 2 of phase 3” of his reopening plan. He storms at reports of a “recent [beer] kegger in Chatham, that graduation event in Chelmsford, the booze cruise in Boston Harbor, the football camp in South Weymouth, the lifeguard party in Falmouth, the prom in Cohasset,” as the inimitable Howie Carr recounts in the *Boston Herald*. Like some demented puritan divine, the governor seethes at “troubling clusters” of “private recreational activity”.

Hey, I’m guilty as sin. I still watch unmasked TikTok dancers, and pruriently ponder Doctor Anthony Fauci’s porno YouTube “film clips” of nude happy faces of people dancing in the streets. I travel freely about the country. I’m trusting you not to tell Governor Charlie!

Skulking under my sheets, I write timidly in the knowledge that Baker has scores of thousands of apparatchiks hounding down any secret hoarders of residual capacity to think for themselves without

gubernatorial guidance and medical counsel.

I only cherish a futile hope that Baker doesn’t amend his mask order with Doctor Fauci’s proposed mandate for *goggles*. I can hardly breathe in a mask, and I sure don’t know how I can prophesy in goggles.

But I’m relieved to report that righteous scribes and saner doctors, academics and statisticians across the land are publishing books debunking this amazing COVID madness. I’ve told you already about my Discovery Institute colleagues Jay Richards and Douglas Ax and statistician William Briggs and their demonstration in *The Price of Panic* (available in October) that lockdowns do no good whatsoever in suppressing epidemic but do effectively devastate much of the economy. I’ve written of my Moonshots colleague John Schroeter’s stirring ebook, already available on Amazon: *Covid19: A Devil’s Choice*.

With cogent authority, these books present all the statistical arguments on the insignificance of COVID compared to earlier, more deadly epidemics that brought no lockdowns or mask edicts.

Once to every man and nation, however, comes a moment to speak truth to power without statistical distractions or utilitarian extenuations. Now John Tamny, the libertarian star of *Forbes’ Real Clear Markets*, has unleashed a devastating tract, to be published as soon as possible (AIER possibly), entitled *When Politicians Panicked: The New Coronavirus, Expert Opinion, and a Tragic Lapse of Reason*.

Naming names and describing the endless carnival of outrageous overreach, Tamny vividly shows that Governor Baker is just one of many demented governors reveling in power like a Charlie Chaplin Fuhrer during this mass media madness.

Tamny is not much interested in COVID-19 data, except to dismiss the virus drama as just another epidemic event like scores of others over the centuries. He derides the call to continue lockdowns until the arrival of vaccines. He quotes Holman Jenkins of the *Wall Street Journal*,

“There were no vaccines for the ’57 Asian flu [that caused 70 thousand US deaths, including many young people (nearly equivalent to Covid-19 deaths adjusted for population)], or the ’68 Hong Kong flu or the 1918 Spanish flu [50 million world deaths]. They were never ‘cured.’ They ended when people decided to accept and adapt to the virus’s existence.”

Nothing offers any answer to the all-cause death data that show COVID to have been a trivial event in medical terms, with some 300,000 lives lost, average age over 80, in the face of some 58 million global all-cause deaths in 2019. COVID deaths, even according to the Imperial College of London, will be drastically fewer in 2020 than the some 1.4 million new tuberculosis deaths resulting from the lockdowns and COVID hospital distortions.

As Tamny points out, the relative triviality of Covid-19 was blatantly evident as early as March 18, 2020, when Fred Smith, the venerable FedEx founder-CEO, was interviewed by Fox News’ Bret Baier. Smith had extensive operations in the epicenter of the virus in Wuhan, China, and 907 employees there, delivering packages for weeks all over the stricken city. All employees were tested for the virus and only four tested positive. Of those four, two proved to be false positives. None of the FedEx workers got exceptionally sick and all recovered.

Tamny concluded: “That [Smith’s Wuhan] employees were largely spared the virus’s spread, and that none had died from it, reads as a reasonable market signal going back over two months (and

realistically much longer than that) [discrediting] the presumed lethality of Covid 19.” COVID seems chiefly to threaten people already dying and physicians who expose themselves repeatedly to a load-dependent viral attack.

What we have undergone is an egregious and perhaps criminal and certainly unconstitutional power grab by politicians. Whether merely stupid or demagogic or driven by polls or by a nefariously political media, the politicians from Trump on down simply blundered like no others in the history of public policy.

“Proper history,” Tamny writes, “will indicate that what happened in 2020 was a global debacle... The reaction by pols... amounted to the biggest crime against humanity [in two centuries]. When politicians panicked, those with the least suffered in unimaginable ways... According to a UN study he cites, some 285 million people may die of starvation [because] of “an American upper middle class that was making decisions for everyone and for whom lockdowns were merely an inconvenience or vacation.”

“To blame this on the coronavirus is to excuse ineptitude that is the norm when the combined decentralized knowledge of millions and billions of humans is ignored in favor of the centralized and highly limited knowledge of very few politicians, and even fewer experts.”

“In robbing us of our freedom to live and work as we wanted... politicians suffocated wealth creation along with the information necessary to save us from the maladies and death brought by the virus. [It was] tragic... The expert standard replaced the market standard...”

Tamny understands economics with an intuitive and uncanny contrarian eye that penetrates beyond all the macroeconomic fantasies of conventional

economists. He points out: “If the virus had been lethal, the lockdowns would have made even less sense...The biggest enemy of life is poverty.” Lockdowns simply cause poverty without relieving disease in any way.

“Let’s never again fight disease with the taking of freedom and wealth so essential to knowledge, prosperity, and by extension life itself.”

As AIER’s Jeffrey Tucker declares: “This country needs a serious anti-lockdown movement, one that is not just political but cultural and intellectual, one that is deeply educated on history, philosophy, law, economics, and all sciences, and can rally around traditional American civic postulates concerning individual freedom and the limits of governments, and also around universal principles of human rights. If liberty means anything, it means that we are not locked down.”

Tamny is giving us a heroic book just in time to lead this movement. We have been suffering not from a medical crisis but from a political and economic and institutional crisis. We have undergone a vast breakdown of moral, educational, intellectual and journalistic standards. Tamny tells this story better than anyone else. All should read his shocking tale.

August 11, 2020

Can the Fed Reduce Inequality?

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Politicians have recently called on the Federal Reserve to address issues of racial and income inequality. Current and former Fed officials have pointed out that monetary policy is too broad a tool to accomplish this narrow goal. Yet the Fed may have the ability to affect inequality by other, more effective means.

Presidential candidate Joe Biden has recommended that “the Fed should aggressively enhance its surveillance and targeting of persistent racial gaps in jobs, wages, and wealth.” A similar proposal by Senator Elizabeth Warren would require the Fed to pursue “the elimination of disparities across racial and ethnic groups with respect to employment, income, wealth, and access to affordable credit.”

Improving the livelihoods of minorities and low-income earners is a noble goal. Economists widely agree, however, that these objectives cannot be achieved using monetary policy.

Inequality is along-term, structural issue that cannot be resolved with monetary policy, as former Fed Chairs Ben Bernanke and Janet Yellen have acknowledged. “The degree of inequality we see today,” Bernanke said, “is primarily the result of deep structural changes in our economy that have taken place over many years.” Because “monetary policy is a blunt tool,” Bernanke argued that “policies designed to affect the distribution of wealth and income are, appropriately, the province of elected officials, not the Fed.”

In 2016 Congressional testimony, Yellen similarly emphasized the broad nature of monetary policy. “A stronger labor market,” she said, “will improve the status of all groups in the labor market.” But addressing inequality is more difficult since “there

are deeper structural reasons that these trends continue.”

Current Fed Chair Jerome Powell also recently expressed skepticism regarding the Fed’s ability to deal with income inequality. Noting the broad nature of monetary policy, he said that “a tight labor market is probably the best thing that the Fed can foster to go after that problem.” Powell emphasized that Congress, rather than the Fed, may be more equipped to deal with issues of inequality. “We don’t really have tools that can address distributional disparate outcomes as well as fiscal policy.”

The Fed does, however, have another means by which it can combat inequality. It could eliminate excess regulations that inhibit bank competition and the hiring of low-skilled workers.

Standard economics teaches that regulations tend to reduce competition and economic efficiency. Until the 1990s, US banks were generally prohibited from opening branches in other states and sometimes even within their home state. These restrictions made the banking industry less efficient, resulting in higher costs for bank customers. Restrictions on branch banking also make it difficult to diversify investments, which makes the banking system less stable.

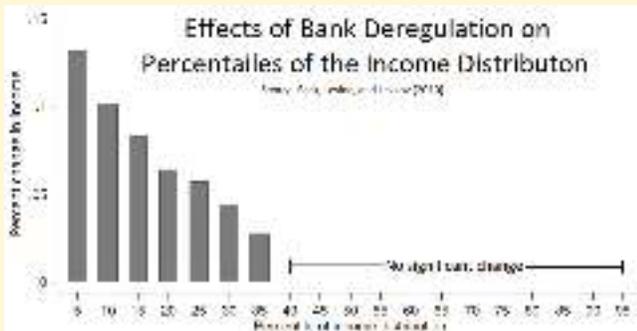
From the 1970s through the 1990s, many states eliminated branch banking restrictions, allowing greater competition in the banking industry. Studies of this period find that eliminating these state-level regulations lowered loan rates for borrowers, improved entrepreneurship, and reduced economic volatility.

In a 2010 study, Thorsten Beck, Ross Levine, and Alexey Levkov consider whether deregulations during this period affected income inequality. They look at several measures of inequality such as the

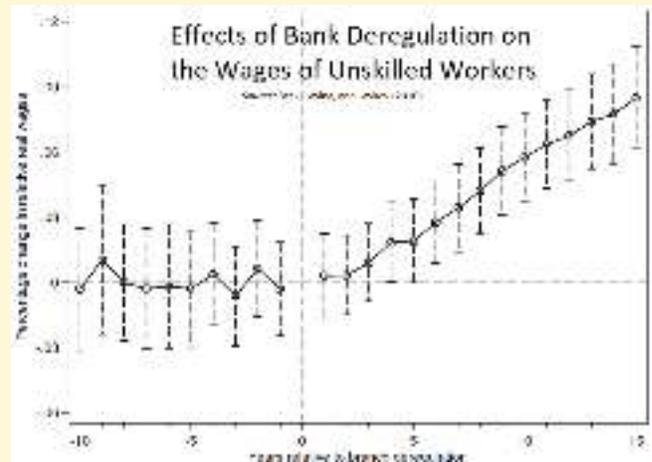
Gini coefficient, Theil index, and the ratio of the 90th to 10th percentiles of income. The evidence shows that “branch deregulation substantially reduced income inequality.”

The authors are careful to account for other effects that might bias their results. They control for local economic conditions, such as state-level unemployment rates and GDP growth, demographic differences, such as the percentages of blacks and female-headed households, and other policies, such as labor market reforms. The results consistently show that bank deregulation reduced inequality.

Beck, Levine, and Levkov also test whether reductions in inequality are driven by changes at the low or high ends of the income distribution. Their results, reproduced in the figure below, find that deregulation was associated with gains to the lower levels of the income distribution without significant effects on higher levels of the distribution.



They further examine the timing of effects on workers at the lowest income levels. As seen in the figure below, the relative real wages of unskilled workers increased considerably in the years following deregulation. Bank deregulation also appears to have boosted employment opportunities as illustrated by lower rates of unemployment and higher working hours for unskilled workers.



Bank deregulation since the 1970s has had important economic effects of reducing income inequality and improving economic stability. The evidence suggests that, unlike monetary policy, deregulation is one avenue by which the Fed might have meaningful effects on reducing income inequality.

To be clear: I am not recommending bank regulators relax their emphasis on bank safety and soundness. Regulators must always remain focused on financial stability, but trimming excess regulations would reduce barriers to entry for new banks and ease the regulatory burdens of smaller banks that pose no risk to the banking system. A study by Richard Herring, for instance, found that bank capital regulations “could be reduced by 75% with no loss of rigor.”

In fact, reducing the number of regulations can often be more effective at constraining bank risk. In the same way that a complex tax code creates loopholes to avoid the law, a complex regulatory system enables banks to avoid compliance. Strong but simple regulations can improve financial stability without creating undue costs of regulatory compliance.

Nor am I suggesting that racial disparities be made a primary focus of regulation. Efforts by the Consumer Financial Protection Bureau (CFPB) to target discriminatory lending practices, for example,

have made lending to minorities more costly and less common. A more prudent approach is to eliminate unnecessary barriers to competition. Such a change is likely to increase opportunities for those with lower incomes and narrow the wage gap between low-skilled and high-skilled workers.

Economic theory suggests, and evidence confirms, that the burden of regulations is likely to fall on the least well-off members of society. Limiting regulation encourages competition in the banking system, resulting in lower costs for consumers and more hiring of low-skilled workers.

If the Fed aims to reduce inequality, it should use policies that are known to be effective. There is little scope for affecting inequality with monetary policy. Reducing banks' regulatory burden reduces inequality by improving the lives of Americans with the lowest incomes.

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