

Herd Immunity?

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As the coronavirus pandemic unfolds we are seeing a diverse range of responses from Govts. Many are arguing against shutdown of schools and large public gatherings for fear of causing damage to the economy. We now have the UK Govt wishing to delay drastic action and talking about relying on “**herd immunity**” – I assume their idea of herd immunity is to allow the very elderly and frail to die leaving a fitter more economically viable workforce. Even the testing results hide the true figures – if I catch ten fish does that tell me how many are in the sea?

If one assumes that Govts eventually realise that they cannot prevent this pandemic from lasting and returning in a second wave then maybe they have already done the cost benefit analysis for allowing the elderly and frail to die. If one assumes that there is an 80% infection rate within the UK due to ‘herd immunity’ theory and 2% of these have a fatal infection there will be over 1 million deaths. Assuming average life expectancy of these victims are reduced by 5 years then the Govt would save about £50bn in retirement benefits and many billions more in health care costs.

The same situation arises for many nations with ageing demographics including Germany, Japan and China. Whilst one may assume that the coronavirus was an accident - maybe a release from the Wuhan biological lab - we can assume that policy makers are already looking at the medium to long term implications whilst trying to mitigate the short-term economic effects.

Fiscal spending was already baked into the economic climate as central banks have run out of effective monetary policy. The UK and Australian Govts have started their fiscal splurge and no doubt the EU and US will do the same. We could see the green agenda hijacked to drive the new demographically younger populations towards a form of self-imposed austerity (<http://www.money-liberty.com/gallery/greensqueeze.pdf>) whilst the surviving elites create a new economic order.

Whilst our economies are important for long term survival and future generations we must take the opportunity to move towards sound money that will be a corset on financial institutions and encourage fairer reward for honest work and true entrepreneurialism. Sound money will allow us to move away from debt driven consumerism and return power to the taxpayers who can then hold their Govts to account for poor spending decisions. It need not mean an uncaring society but one that values all citizens and cares for the sick and elderly within its means.

Who knows how long the pandemic will last and whether there is a second wave before a viable vaccine is available but life is not going to be the same. Our economics, trade, social activities and our money will be very different from recent years. Clearly people are going to rethink about dense urbanized living and we could see a return to smaller towns villages and living in the countryside. This is even more likely if the pandemic is not cleared up quickly without a second wave this winter. Even if it is cleared up people will worry about further accidental release of a virus and maybe an AI developed virus that is deliberately targeted for population management.

I don't want to be alarmist but many of us have been warning about the failure of our financial system for many years and with global population of 7bn + and growing the green agenda maybe hijacked by the elites to allow a technology driven AI/robotics future which does not require an army of workers/dependents that need to consume resources.

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