

The Road Not Taken: Covid-19

By Rod Fraser



We are now in the ninth week of a Covid-19 lock down in Ontario. It started on March 17, 2020—and as of Victoria Day, very few shops have reopened. Many will never reopen. Aside from grocery stores, pharmacies, gas stations and other essential businesses, we seem to have given up on our economy. It is no longer considered important.

The government prints money, shovels it out the door and prevents many lower-income people from

earning a living. There will be a large price to pay for this economic folly. There are now 2 million more people unemployed today than in February. The April unemployment rate is 13%. It's possible this will rise to 20% (or more) in the months to come.

In politics, what begins in fear usually ends in folly."

— Samuel Taylor Coleridge

There are large numbers of unemployed because most Western governments (including Ontario) closed down their economies based on 'worst-case' predictions by Neil Ferguson of Imperial College. In his initial models, he predicted ½ million deaths in the U.K. and a further 2.2 million deaths in the U.S. Most governments that were considering 'toughing it out' soon lost their nerve and opted for a lockdown.

Well, what are the facts after nine weeks of lockdown? To date, Covid's roughly 370,000 deaths worldwide seem to be a trifling number, when you consider there were 58 million global deaths in 2019.

According to Lionel Shriver, writing in *Spectator*

USA, influenza claimed 650,000 lives; Malaria, 620,000; and tuberculosis killed 1.5 million people. To show the absurdity of our current approach to Covid-19, she asked rhetorically, "Why haven't we closed down the whole world for TB?"



Fortunately Sweden (as well as five U.S. states) have not succumbed to this hysteria. Perhaps it's worth taking a look at how they handled this crisis and see what we can learn.

Sweden has a population of approximately 10 million people, the same as Michigan. But while Sweden has had 4,300 deaths from Covid-19 (at the time of writing), Michigan reports 5,406 deaths.

All schools, universities, colleges and non-essential businesses in Michigan are closed. The Governor, Gretchen Whitmer, pursued this policy with arrests, fines and threats of jail time.

For example, she recently ordered a 77 year old barber, Karl Manke, to close his shop. When he successfully appealed her decision to the courts, Whitmer ordered the Department of Health to close him down. He refused to comply. Then she lifted his license to operate a barber shop. I don't know about you, but it seems a little heavy handed to me.

Curiously, Whitmer's policy of lockdown has not worked to reduce deaths from this virus. Her state has the seventh largest number of Covid-19 deaths per million in the United States (with all states with higher deaths per million having similar lockdown policies).

The five states in the U.S. that have not locked down (North Dakota, South Dakota, Nebraska, Iowa and Arkansas) report Covid-19 deaths per million of 150 or less. Compare that to Michigan with a death rate of 540 per million. Then ask yourself: Do lockdowns work?

If you are still uncertain, ask yourself if the policy for North Dakota with 68 deaths per million should be the same as New York with 1,468 deaths per million. You can see where I'm going with this argument.



When the Covid-19 virus was first noticed by governments around the world, Sweden chose to forego a stringent lockdown policy. According to the Foreign Minister, Ann Linde,

"We don't believe in a lockdown if it's not going to be sustainable over time.... Our understanding of this epidemic is that it will be with us for a very

long time....”

Sweden closed schools and universities for those 16 years of age and over (in favour of online classes). Elementary schools and junior high schools remain open. This allows working parents to have child care for younger children, enabling them to continue working.

People aged 70 or older are advised to stay home; gatherings of 50 people or more are not permitted; working at home is encouraged; nursing homes are closed to visitors; and restaurants, bars and parks remain open. It seems to work. Hospitals have not been overwhelmed and Swedes are largely pleased with their government’s policies.

Interestingly, there is no ‘social distancing’ rule of 2 metres in Sweden; you are expected to use your own judgement. In China, Hong Kong, Singapore and France, the recommended distance is one metre (based on the advice of the *World Health Organization*). Given the difficulties in opening up our economy, while adhering to the 2 metre rule, one wonders why Ontario isn’t using the standard recommended by WHO?

Another key difference between Sweden and Michigan is that Swedes follow these guidelines voluntarily. They are expected to act responsibly,

show good judgement—and they do. To my mind, the Swedish approach is far more sustainable. If people are forced to stay home, without work, worrying about their future, they will rebel eventually.

This is why we are seeing rallies in Michigan and other states where governors have been heavy handed, dictatorial and inflexible. The people want the lockdowns lifted, and their government isn't listening. Expect more protests and popular uprisings in the months to come.



Some argue Sweden's deaths per capita are far too high (although clearly not as high as those in Michigan). While there is some truth to this observation, we should keep in mind Swedish workers are earning income each month and paying their bills. Their children are going to school. Their financial future has not been destroyed. For all these reasons, Sweden is in a far better position to rebuild its economy, than those countries (or individual states or provinces) that chose to close down completely.

John Cochrane, a Hoover Institute economist, claimed in April of this year,

"20 million people, more than 1 in 10 American

workers lost their job in the first month of this shutdown. That's more than the entire 2008 recession. Most guesses say that companies have one to three months of cash on hand, and will then fail."

"In the end, the government lending and spending programs, designed to get us through this, will add 4 trillion of new debt on the American people. That's \$12,121 for every man, woman and child in the country."

The figures for Canada (and Ontario) are equally chilling. When we claim victory over this virus (which increasingly shows a fatality rate similar to the flu), we will wonder how it was that a media-led hysteria managed to spook us into policy choices that spiked the national (and provincial) debt, forced thousands of companies into bankruptcy, destroyed many, many jobs and created a recession that was at least as serious of that of 2008.

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