

# **HERMIT HERALD**

**VOL 1      ISSUE 16**

**APRIL 18, 2020**

## **QUOTE OF THE DAY:**

**“There’s nowhere to hide. This is the deepest, fastest, most broad based recession we’ve ever seen.” Diane Swonk, Chief economist at Grant Thornton, Chicago.**

## **MOVE OVER COVID- 19:**

**The coronavirus is the root cause of our problems and has almost totally consumed our attention. Closing in fast, however, is the accelerated focus on what it is doing to our lives; job wise, economically, socially and, circling back to health, issues not related to the virus.**

**In the past month, unemployment claims have reached 22 Million, representing about the same number of jobs that have been created over the past nine and a half years. The commerce department announced the**

**steepest drop in retail sales in the 30 years such records have been maintained. Naturally, hand in hand with that go the millions of workers who have lost their jobs.**

**The washing machine that isn't purchased today will likely be bought in a recovery, but, fashions for this spring, summer, fall - simply gone. The consumer will just wait for the next season. It's like a coffee shop during a 20 inch snow storm - you never make up those lost java sales.**

**Then there's the 22% drop in housing starts and all that that entails - sales of bathroom fixtures, lighting, heating systems, furniture, etc. and all the companies who make those products, and all the employees who are now out of work - just a couple of examples, but the list goes on and on as the dominos fall, a lack of demand in one sector causing multiple failures elsewhere.**

**All bets are off as to when things might get better. One economist states, "We wouldn't be surprised to see one third of the jobs lost come back by July." An economist I'm not, but I think**

**if that were to happen it would be a miracle. I do agree with that economist's assessment that further recovery is going to be a very lengthy process – the classic 900 foot oil tanker – hard to change direction.**

**Now comes the really difficult part, with the increased unemployment comes a big increase in families living at or below the poverty line, impacting minority families more than any group. The Federal Reserve estimates that 15.4 percent of families will fall into poverty for the year, with black families falling into poverty at twice the rate of whites.**

**So now we come to the non virus related health effects of the caused by the virus. “Children raised in poverty on average have worse adult health, lower earnings and higher incarceration rates.”**

**To quote further, “The phrase ‘Poverty rate’ is an anodyne term for a level of deprivation that predicts outcomes as various as stunted physical growth and educational underachievement, and that can turn life into a**

**series of desperate choices, like feeding the children as opposed to paying the rent.**

**An annual unemployment rate of 20% would leave 55 million people in poverty, up from 40 million in February.”**

**You know, most of us can't use the word empathize here, because we have never lived in these conditions. Being aware and sympathetic is about the best we can do, and, in this environment, it's a bit like being on a runaway train – little else we can do.**

### **NURSING HOME DEATH TRAPS:**

**What a horror show. 80 % of the residents of a facility in Richmond Virginia, have tested positive for the disease and at least 45 have died. Of course advanced age and existing health problems contribute to these outbreaks, but the outcomes are considerably worse than the cruise industry. We have all read similar stories, but in most instances it is hoped that the patients are given adequate palliative care.**

**Then comes the story in today's paper about a facility in Montreal. The glossy brochure speaks of a nutritionist for personnel meal plans, a bistro café, a hairdresser and a full time nursing staff. Following up on complaints of high levels of coronavirus, it was found that residents were dehydrated, lying listless in bed – the rest of the descriptions are too sickening to put on this page save for the quote from a nurse on the inspection team. "The stench could have killed a horse." As noted in the last issue, many states do not report coronavirus deaths from nursing homes because, in many instances, the cause of death just isn't known. What is known is that many of these facilities are death traps and it appears heightened attention is being focused on these facilities throughout the U.S. One person commented about a relative in a nursing home, "It's like being on the Titanic without a life boat."**

**And the facility in Montreal, you'd probably want to know, for 150 residents they had two nurses.**

**PSST! WANNA BUY THE LONDON BRIDGE?:**

**Well, not quite, but same idea. Antibody test kits are all the rage. It's believed they are strong indicators as to who is immune to the corona virus and/or who may have immunity, having already had the infection. The theory is that with extensive testing, lifting lock down restrictions can happen sooner rather than later. Anyway, everyone in the world is trying to obtain these test kits.**

**Along come these two Chinese companies approaching the UK health authorities with a great deal - 2 million testing kits for \$20 Million, take it or leave it. The catch was the money had to be paid up front and the Brits had to fly to China to pick up the test kits.**

**The enthusiasm over getting so many kits bubbled all the way up to the PM who declared, "It has the potential to be a real game changer." Well, the test kits were found to be inaccurate by a laboratory at Oxford University and the UK authorities had \$20 Million in egg all over their faces.**

**While it does appear that antibody test kits will be helpful, “It is not yet certain what degree of immunity may be had from a previous infection”.**

## **WHO’S THE MOST IMPORTANT PERSONALITY?**

**You probably remember that line from Doris Day’s, “Everybody Loves a Lover.” Well, it seems, with few exceptions, you can replace the word “lover” with “leader” in countries Battling the corona virus. Have a look at these approval statistics:**

<b>Country</b>	<b>Leader</b>	<b>%Bounce</b>	<b>Approve%</b>
<b>Italy</b>	<b>Conte</b>	<b>27</b>	<b>71</b>
<b>Austria</b>	<b>Kurz</b>	<b>33</b>	<b>77</b>
<b>Netherlands</b>	<b>Fredricksen</b>	<b>40</b>	<b>79</b>
<b>Germany</b>	<b>Merkel</b>	<b>11</b>	<b>79</b>

**What’s going on here? The writer, Steven Erlanger, points out that, “There is nothing like a good crisis to get diverse populations to rally around their leaders. When people are confused and afraid they tend to trust their governments, because to think that the authorities are themselves confused and**

**afraid, let alone incompetent, is too much to bear.” Must be the case, especially with Italy, which has had a horrible experience with the virus.**

**Erlanger goes on to point out that such gains in the face of a crisis are ephemeral. “The unlocking of the lockdown will itself be fraught with political danger.” Churchill, after defeating Hitler was summarily booted from office in 1945. George Bush went from 58% to 87% after kicking Iraq out of Kuwait in 1991, but then lost to Clinton in 1992.**

**The takeaway is that, “winning a war is absolutely no recipe for staying in office.” Up is down and down is up.**

**TO LIGHTEN UP, A DARK PREDICTION:**

**In 8 weeks 88% of blonds will disappear from the face of the earth.**

**Your faithful scribe,**

**PB**

