

# 36 South Views

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## **To the man holding a hammer, every problem is a nail**

Governments and central banks around this globe hold the "money" hammer, and they view every problem as a nail.

The first-order consequences of their actions appeal to the 'bread and circuses' economy. However, there is a hidden cost to everything and, unfortunately, it will only become apparent in hindsight.

Venezuela and Zimbabwe are the poster children in this regard. Their socialist policies were extremely well received at the beginning of their road to perdition. Every problem was met with the hammer: more money. Money attracts power, which attracts psychopaths and corruption. The latter, corruption (being what I call 'society's cancer') is always instrumental in a society's demise, but reckless financial management is also key.

Life for individuals, corporations, and countries is analogous to a game of snakes and ladders. To win the game of life, the goal should be to create ladders and avoid snakes wherever possible.

Corruption is a snake.

Reckless money printing is a 'ladder snake' i.e. it looks like a ladder until you are on it and suddenly you realise it is a snake.

Extreme competition is a snake, whereas moderate competition is a ladder. Ditto with power.

A good work ethic is a ladder. Integrity is a ladder. Honesty is a ladder. A cooperative society is a ladder.

Everywhere I look, true ladders are being compromised, whilst snakes and 'ladder snakes' are being encouraged.

COVID-19 is a snake.

Governments' responses to COVID-19 is an interesting one. Is the current COVID-19 response the only realistic response?

Government response? Hammer and lockdown! Let's just shut people indoors and substantially pay for everyone to stay at home! What could possibly go wrong?

One could argue the economic snake they create is far worse than the one they are battling.

I am intrigued as to why more hasn't been said about "Muller's Ratchet". This is the observation that viruses have a tendency to weaken over time. I first read about it in "Three Seconds Until Midnight"<sup>1</sup>, a must read for anyone wanting more than a superficial understanding of pandemics. According to the book, once a virus has found a host, it makes copies of itself every 0.4 of a second. These copies are never perfect; they tend to collect genetic garbage over time. This reduces their effectiveness, and thus the viruses weaken. I am not a scientist, but from the perspective of Muller's Ratchet, it makes sense that no pandemic ever lasts. What actually happened to the Spanish flu, the black plague? How did they magically disappear? It wasn't a vaccine.

If we were to rely on the Muller's Ratchet effect, we would realise that our current lockdown strategy would be questionable, even if it did not affect the economy like it is doing.

<sup>1</sup> Hatfill, S., Coullahan, R. and Walsh, J., 2019. *Three Seconds Until Midnight*. Independently published.

In my view, the idea that lockdown is the only choice is absurd. We should be letting the virus run in people who are not at risk, whilst protecting those who are. The more copies the virus it makes of itself, the weaker it gets. Over time, the risk is diminished for everyone.

In the aftermath, we would have a functioning economy, debt that is serviceable (even at higher rates), and a population which does not feel as anxious as a herd of cattle in an electrical storm.

But a more subtle or segregated approach seems too politically dangerous a strategy, especially when central banks have a hammer and the problem looks suspiciously like a nail.

Now we are fated to suffer the second and third-order consequences of reckless money creation and a politically safe but questionable lockdown strategy.

There is a hidden cost to everything. We now face the twin snakes of the pandemic and the government response to the pandemic.

That cost is large and is hiding in plain sight but we all complicity refuse to see it.

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