

## Some questions on the numbers

In the week ahead Parliament will debate the lock down, and government will determine a back to work policy. To do so, they need to examine some of the numbers they are using carefully.

1. Comparative deaths globally. It is quite wrong to say the UK after the US will have the most deaths. The government must adjust the death figures for population, which so far shows Belgium heading the lists, and the USA still relatively low
  2. The government needs to do more work on trying to get comparable death rates. Some other countries only list hospital deaths. There are different views on whether dying with Covid 19 is the same as dying of Covid 19. The UK figures for deaths have probably been boosted in recent days and weeks by counting more deaths where the patient died without a Covid 19 test as a Covid death, and by adding in non hospital deaths to the total. It is a bad idea to change the way you calculate numbers over time for a series when you are using the curve of that series over time to determine policy.
  3. Now there are so many more tests available the government needs to start testing a sample of the total population to get figures for how common this disease is, and to chart that over time.
  4. The accuracy of the tests. I have been given widely different figures for how many false negatives the tests might provide. There are apparently issues about how to secure a good sample so any disease does show up.
  5. How good are the returns reported centrally from Care Homes, as most of these are privately owned institutions that are not formally part of NHS management and reporting systems.
  6. Future capacity of the NHS. The government is right to want reassurance that the NHS can cope in future as it has done so far. There needs to be a rebased figure for Covid care beds and Covid Intensive care beds in the system in a world where there is also capacity for other serious medical conditions. Will the NHS move to identifying specialist Covid hospitals and units, to free more District General Hospitals to do everything else?
  7. The value of R or the reinfection rate. We were told this week it is currently 0.6 to 0.9. That is a very wide range. How can it be more precisely and accurately be discovered, where there are not sampled tests of the whole population over time? Doesn't it need regular sampled testing to get it more accurate? As great stress is placed on R, it is crucial to get it right.
  8. Will the government publish the range of forecasts of deaths from the disease their experts have come up with, and show us the trend in these forecasts? That too is important in making a judgement.
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# The US pulls out all the stops to abate the deep recession

There is a much greater sense of urgency in the USA to offset some of the damage done to the economy by anti CV 19 policies. The Central Bank, the Fed, has ridden to the rescue. It has printed money and bought bonds on a huge scale. It has supplied the world with dollars, driven down rates and stabilised the market for financing companies.

Its balance sheet has soared from \$4.3 trillion on March 11th to \$6.6bn by mid April, a massive expansion of more than 50%. In contrast the Bank of England has gone from £580 billion in early March to just £647 bn in mid April, an increase of 11%.

The US sent everyone below \$75,000 a year a cheque for \$1200 as well as setting up business grant schemes and a furlough scheme. The UK has also set up grant and employment retention schemes.

The US money supply leapt by an annualised 20.9% in the first quarter. The UK's increased modestly to a 5% rate of growth. Which of these institutions is right?

In the short term I fear the US is correct. The huge downturns the fashionable anti Covid 19 policies generate are designed to do maximum economic damage to all but health, food and essentials and the public sectors. All out of home entertainment ,tourism, most travel and hospitality and most non food retail are simply shut down. Consumer demand plunges. Many people lose their jobs and can only afford the basics. Those who keep their pay are very restricted in what they can buy so they end up saving.

Printing money does not bring the closed businesses back to life, and it cannot in the short term generate more demand where business is banned. It does however make borrowing more affordable for the government and for companies fighting to stay alive. It is better than doing nothing and watching more job losses and bankruptcies.

There are many arguments over the details and duration of the current health policy. There are no arguments over its economic impact. Everyone agrees it is a disastrous economic policy. The US is right to fling money at people and companies to try to offset some of the damage. You cannot go on doing that for very long. The huge budget deficits, the big expansions of money can only be short term palliatives. The only sensible economic policy is to get many more people back to work as soon as possible. The Fed will need to rein in the extra money as the economy starts to recover to prevent inflation.

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## Making Parliament work

I spoke in Parliament this week on a link from home, as MPs are encouraged to do. I am grateful to the Speaker and House authorities for their hard work in making sure Parliament can meet whilst obeying the social distancing rules. They responded to those of us who requested we meet.

We can only have a Parliament by limiting numbers strictly in the Chamber itself, where I would rather be. A Parliament working remotely is better than a Parliament not meeting at all, but there are losses from this temporary system. An MP cannot intervene on another to debate an issue or challenge an assertion. You cannot spontaneously ask a question or decide to make a contribution to a debate. You have to book a slot well in advance, with plenty of competition for such slots. Parliament is meeting for less time so opportunities are more limited.

Readers may be relieved to know there are still plenty of other meetings and communication underway between MPs, though we no longer benefit from those many informal conversations and rapidly convened meetings that characterise a usual Parliamentary day. Ministers are making themselves available by tele conference. Groups of MPs and committees meet through Zoom or Teams. There is intensified email traffic and phone calls. Many of us are trying to find substitutes for the many face to face meetings and conversations which help shape government policy and government responses to problems.

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## Coronavirus Testing

I have received this update from the Government:

Today the Government announced that anyone in England with coronavirus symptoms who either must go to work or is over 65 can now be tested.

Further information on accessing the service is available here:

<https://www.gov.uk/coronavirus>

Apply for a test here:

<https://self-referral.test-for-coronavirus.service.gov.uk/test-type>

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# The UK as a leading advocate of Free Trade worldwide

The Minister of State for Trade has told us that the UK has now taken her place as a full WTO member and is making an important contribution to the world trade discussions. Secretary of State Truss made the first UK Ministerial speech there since 1972 earlier this year.

The Department for International Trade is now planning trade talks with the USA, Australia, New Zealand and Japan. These will be in parallel with the PM's negotiations through Mr Frost with the EU. The US Trade Representative has made a recent visit to London, and the US is keen to make rapid progress. Since 2008 our trade with the rest of the world has been bigger than our trade with the EU and growing faster, despite the absence of Free Trade Agreements with most of it.

Trade talks with the US were scheduled to take place face to face in April, but these are having to be transferred to audio visual conferences owing to anti virus controls. I want the UK to respond positively to the US wish to press on with them quickly.

In discussions with the EU State aid issues can be best handled by the UK having a strong competition policy of its own whilst accepting that the EU regime is sufficient on the continent, so each party can trust the other's system.

The UK should aim for lower tariffs than the EU common external tariff. We should encourage cheaper food where we cannot grow the products for ourselves. We should set our own high standards for food quality, animal welfare and hygiene, and aim for mutual recognition of each other's standards with counter parties in Free Trade Agreements. There is no need to charge any tariff on imported components needed for UK manufacture.

The US/UK Agreement could become a template for other deals worldwide by both the USA and the UK.