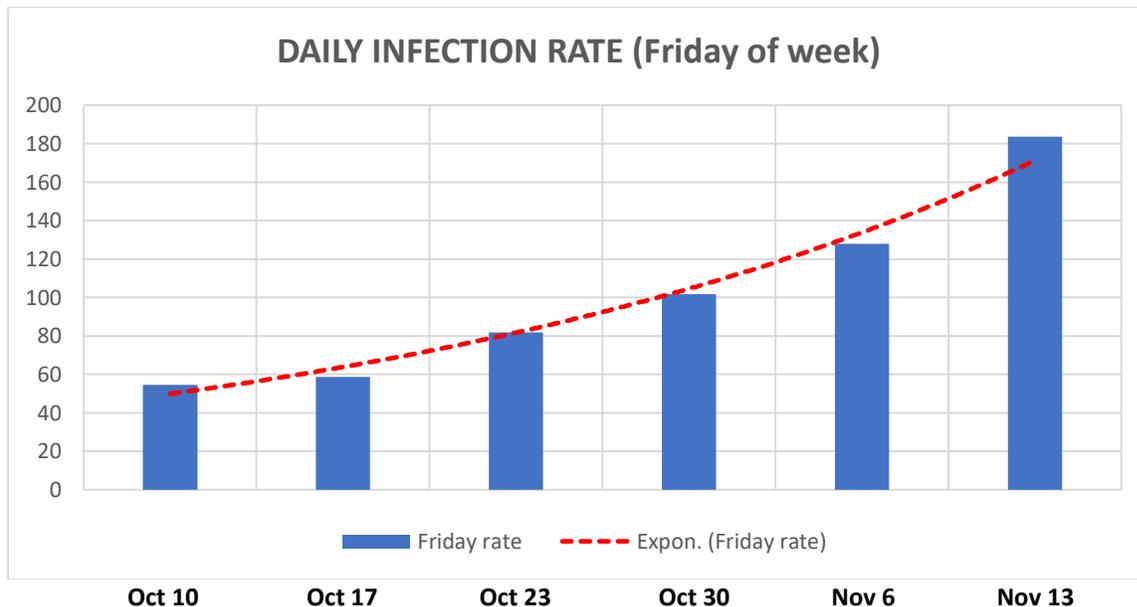# STOLEN LIVES *TRUMPS* STOLEN VOTES.

The raging pandemic finally forced Trump out of his White House Bunker. Of course, he could not admit that all his rhetoric about the virus waning was dangerously wrong. Instead, the panting lung damaged ex-President, could only boast about how he single-handedly shaved years off the miraculous development of the Pfizer and other vaccines. Unfortunately, there was no one to point out that in fact it was a German vaccine, developed by the children of Turkish immigrants.

On the day that Trump bragged on the White House lawn about his prowess in helping hasten the arrival of a vaccine, total deaths in the USA passed 250,000 and the daily infection rate reached 184,000, rising by 32% over the week. https://www.worldometers.info/coronavirus/country/us/ To put this daily rate in perspective, it is twice as high as the peak in any other country, though testing levels do vary. To get some idea of how exceptional the US is, visit the John Hopkins site and view the global graph of the top 10 infected countries. It appears under Critical Trends. https://coronavirus.jhu.edu/data/new-cases

The scale of the pandemic is represented by the Graph below which plots the Friday rate over the past six weeks. Friday is chosen because it tends to be the weekly peak. In mid-October, daily infections were around 55,000 or one third of the figure now. This week the infection rate went up by that figure alone. At this rate, dependent on whether or not governors execute effective lock downs, the figure is likely to peak at 300,000. Dr Vivek Murthy on Biden's corona virus advisory team said that he would advise against a national lockdown, but short of a national lockdown it is difficult to see how the R rate can be brought below 1.

DAILY INFECTION RATE (Friday of week)

Legend: ■ Friday rate ▪▪▪ Expon. (Friday rate)

Oct 10   Oct 17   Oct 23   Oct 30   Nov 6   Nov 13

The Friday figure was 20,000 higher than the extrapolation in my previous posting. As can be seen from the exponential trend, the rate of infection is speeding up. Already hospitals are buckling under the weight of infections which are also exhausting medical staff. Hospitalizations were increasing at the rate of 1000 a day last week to reach 68,500 on Friday, 15% above the previous peak. According to the CDC there are

800,000 in-patient beds in the USA. At the current increase in hospitalizations, some time towards the end of following week, one in ten beds will be occupied by COVID infected patients. The current daily rate of 1000, which is likely to rise to 1500 represents a weekly increase of over 1% meaning that in a month's time 15% of hospital beds will be occupied by COVID patients.

With regard to the mortality rate, if we divide the 7-day moving average of deaths by the same average of infections we currently get a mortality rate of 1.5% (November 14, weekly deaths 8681 versus 576269 infections, Worldometers). This is down from the 2.4% figure, also as at Nov 14, provided by OurWorldInData.org/Coronavirus. However, with the infection rate rising by 32% to beyond 200,000 the daily death rate could surge to 3000 or 100,000 per month. According to CNN, medical professionals are projecting a peak of 4,000 deaths before the pandemic is turned around and CNN Health itself predicts 110,000 deaths over the next two months. https://edition.cnn.com/2020/11/12/health/us-coronavirus-thursday/index.html A few days ago, the CDC predicted a cumulative 282,000 deaths by December 5th but already this is an understatement.

Clearly there is an acute medical emergency throughout the USA which is not being addressed by the Trump Administration, and this failure will erode its standing amongst its supporters. However, it appears already that the future Biden Administrations proposals to put it mildly is underwhelming.

The vaccine rides to the rescue or not.

Watching Trump on the White House Lawn was like watching a a reckless and strutting Lifeguard standing in front of a newly frozen lake. Instead of discouraging people from walking across the flimsy and fractured ice, he encouraged them to do so. Don't worry said he, my efforts have ensured that we will soon have newly invented lifejackets to throw to you. Except that there will not be enough or quickly enough to matter to the people who have fallen through the ice.

The consequences of the scientific breakthrough by BioNTech in Germany could be transformational and not only for pandemics. Trump obviously miscast this success story as an American one. It is likely President Xi will refrain from calling it a Chinese success story, because BioNTech teamed up not only with Pfizer but also with Fosun from China to produce and distribute this vaccine.

This vaccine is not only the product of two immigrants to Germany, but three. The third was a Hungarian immigrant to the US Katalin Kariko who then went on to work at the company in Germany. She pioneered a new technology called nucleoside-modified mRNA. All of this came together in the last few years and as the company said, had the pandemic broken out three years ago, this vaccine would not have emerged. (F.T. Big Read *Inside the hunt for a vaccine* by Joe Miller 14/11/2020.)

How quickly will this and other vaccines reverse the pandemic? This depends on a number of factors. How fast the pandemic is travelling, in other words the R rate. How effective the vaccine is in instilling durable immunity rather than mere prevention? How many vaccine shots can be produced and most importantly, how quickly they can be administered? It is likely that the effect of vaccinations will take months to materialize, and if it is given to the most vulnerable, it will reduce the mortality rate before it effects the transmission rate. This view is shared by Professor Sahin. "*Prof Ugur Sahin, co-founder of BioNTech, said this winter would still be hard as the vaccine would not have a big impact on infection numbers.*" (BBC interview 15/11/2020)

In other words, the effect will not be significant before Trump leaves office and it will most certainly not affect the surge likely after the upcoming Thanksgiving Day. What is needed now is for Trump to be Presidential, to call for lockdown measures together with a mask mandate until the vaccine can take over. But he is boxed in and cannot. For Trump to acknowledge the severity of the pandemic is to recant every word he used during the election campaign, when his whole strategy was based on minimising the virus and duping his supporters.

Many reasons have been given as to why Trump has refused to concede the Presidential race, and why he continues to claim the electoral process was fraudulent. Many have ascribed reasons based on his personality. But it is likely that he is engaged in deflection, using the cry of stolen votes to drown out the cry of stolen lives. As soon as he concedes, and it appears that he is now beginning to concede, all attention will turn to the virus, and to the electioneering conduct of the Republican Party in the middle of a pandemic. History has a habit of snapping back and biting one. Trump may be remembered in connection with fraud, but not to the voting fraud against him, but his fraud against the voter, the duping and imperilling of voters in the season of the virus.
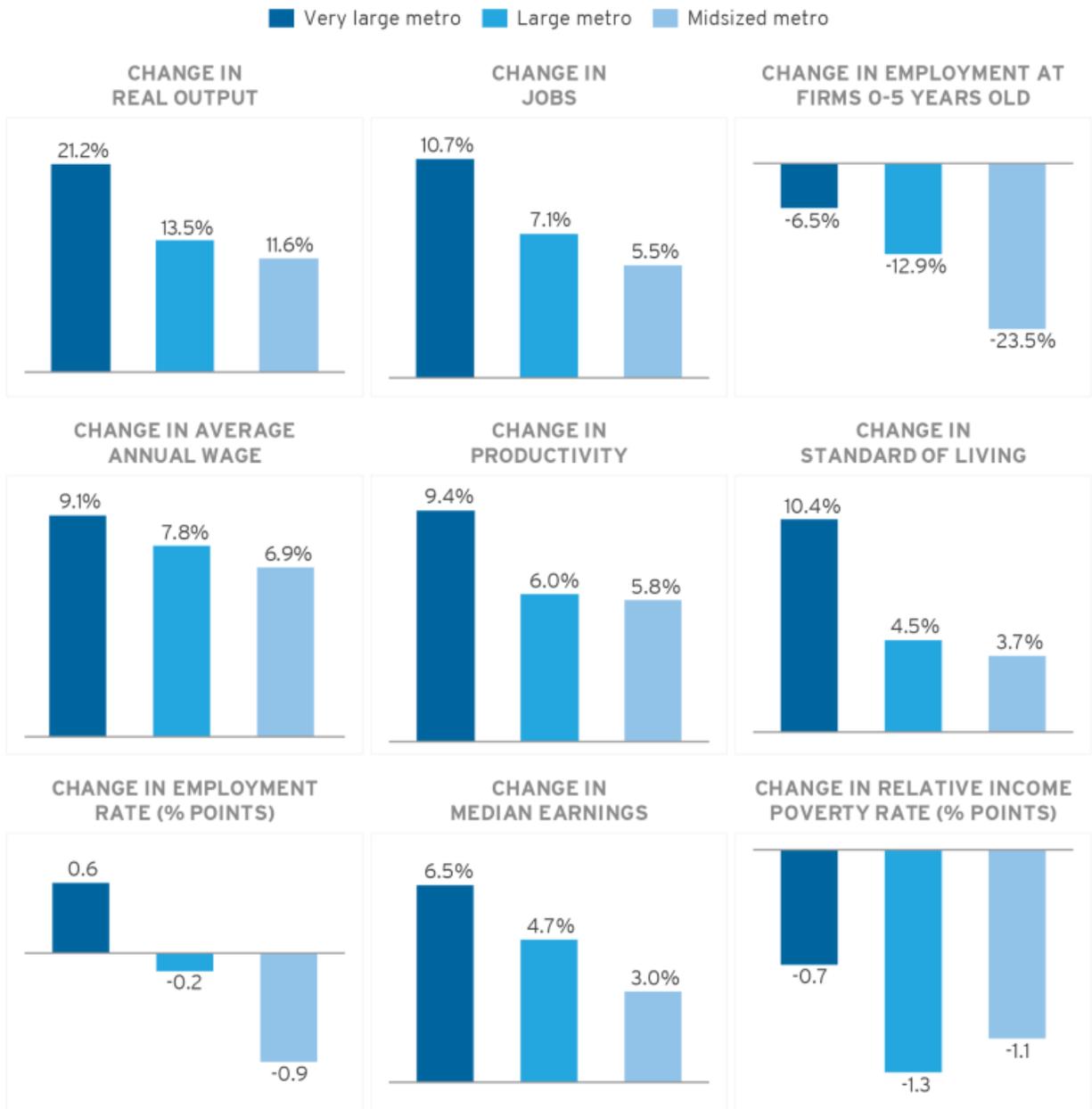
Two countries in one.

A year ago, when I became aware that Michael Roberts was writing a book comparing China to the USA, I appealed to him not to use crude and generalized data. I pointed out that two structural changes had occurred, not only one, namely the rise of China. The other was within countries as a result of globalisation and the effect of 2008. The result was that the metropolitan areas, generally on the seaboard, and most closely integrated into the global economy, had become more prominent and more prosperous. I drew his attention to the Brookings study linked here. I believe anyone interested in the nature of the contemporary global society should carefully study this report. https://www.brookings.edu/wp-content/uploads/2018/06/Brookings-Metro_Global-Metro-Monitor-2018.pdf

Essentially the top 300 metropolitan areas have pulled ahead and now produce more than half of global GDP. Within this, the fastest growing metropolitan areas have been in China. It is difficult to say whether the metropolitan areas have grown at the expense of their hinterland areas. Certainly, national economies have grown more uneven with the gap between the metropolitan areas and the hinterland areas growing. Often these 300 metropolitan areas have more in common with each other than they do with their adjacent hinterland.

Here is a further analysis of this unevenness brought out by Brookings in their March 2020 report. This report focuses on the USA alone and is not based on international comparisons.

FIGURE 2

Very large metro areas outperformed others on growth, prosperity, and inclusion from 2008 to 2018

■ Very large metro   ■ Large metro   ■ Midsized metro

CHANGE IN REAL OUTPUT

- 21.2%
- 13.5%
- 11.6%

CHANGE IN JOBS

- 10.7%
- 7.1%
- 5.5%

CHANGE IN EMPLOYMENT AT FIRMS 0-5 YEARS OLD

- -6.5%
- -12.9%
- -23.5%

CHANGE IN AVERAGE ANNUAL WAGE

- 9.1%
- 7.8%
- 6.9%

CHANGE IN PRODUCTIVITY

- 9.4%
- 6.0%
- 5.8%

CHANGE IN STANDARD OF LIVING

- 10.4%
- 4.5%
- 3.7%

CHANGE IN EMPLOYMENT RATE (% POINTS)

- 0.6
- -0.2
- -0.9

CHANGE IN MEDIAN EARNINGS

- 6.5%
- 4.7%
- 3.0%

CHANGE IN RELATIVE INCOME POVERTY RATE (% POINTS)

- -0.7
- -1.3
- -1.1

Source: Brookings analysis of EMSI and US Census Bureau data

B | Metropolitan Policy Program at BROOKINGS

https://www.brookings.edu/blog/the-avenue/2020/03/04/metro-monitor-2020-prosperity-is-increasing-in-americas-largest-metro-areas-but-not-for-everyone/

Within the hinterland, there is a sense of being left behind, even of going backwards, and a feeling of being neglected. This has had profound political consequences. In the USA Trump has exploited this disparity and so too here in the UK have the Brexiteers. In both countries, mainstream analysts and reporters, mainly drawn from and familiar only with the large metropolitan areas, failed to appreciate the depth of resentment this disparity was engendering. They misjudged the support for Trump as well as for the Brexiteers.

In the USA this divide takes the form of red states and blue states, and in the UK it takes the form of the North South divide. It is worth repeating the comment I made on Michael Roberts website regarding the use of generalized voting patterns, which do not tell us how workers voted in the two provinces that now make up the USA.

"I fear that the analyses presented here are too general. To understand why this is so, we need to take a step back. As a result of globalisation and 2008, countries have split into two, the metropolitan areas (generally on the seaboard) and the hinterland. Today the top 300 metropolitan areas produce the majority of global GDP. In the United States this cleavage takes the form of the metropolitan Blue States (Democratic) and the Red States (Republican hinterland). In the current election, as in 2016, "President Donald Trump carried 2,497 counties across the country that together generate 29% of the American economy, according to a new study by the Brookings Institution." "President-elect Joe Biden won 477 counties that together generate 70% of U.S. GDP." "Republicans represent a far greater number of smaller counties with less-educated, more-homogenous workforces that, on average, tend to rely on manufacturing, agriculture and mining." It should be added that these are more rural constituencies with smaller towns etc. https://www.cnbc.com/2020/11/10/election-2020-democrats-republicans-economy.html On closer examination we also find that since 2008 Median incomes in Red states has fallen from $55,000 to $53,000 now, while in Blue states, despite having been lower in 2008 at $54,000 it has now risen to $61,000. So Blue States are going forward on aggregate, Red States are going backwards. https://www.brookings.edu/blog/the-avenue/2019/09/10/america-has-two-economies-and-theyre-diverging-fast/

What we need to verify is whether there was a difference in voting patterns between these two blocks and in particular how it applies to workers earning under $50,000, who happen to be the largest voting segment with 36% of all votes. In his article Michael relates that 53% (barely a majority) of these workers backed Biden as against 45% for Trump. What we don't know if this was true for the Red States. It looks likely, given the size of the Trump vote, that a majority of these workers may have voted for him in the Red States.

Why is this important. In my dogfight with Anti-capital on my website I hypothesised that Pelosi had overplayed her hand with the second financial relief bill (CARES Bill). I felt her all or nothing approach to this bill hurt the Democrats more than the Republicans, particularly in the Red States. Two reasons lead me to this conclusion. Firstly, the opinion poll by Politico just prior to the election, which found that twice as many voters held the Democrats in Congress responsible for the failure to deliver this relief compared to the Republicans (page 330 of the survey). https://assets.morningconsult.com/wp-uploads/2020/10/28063320/2010142_crosstabs_POLITICO_RVs_v1.pdf Secondly the unexpected loss of seats in the lower house of Congress. This could explain the 2 to 3% loss of votes for Biden and the Democrats relative to pre-election day opinion polls.

In Britain, the same divide exists. It is called the North South divide. Brexit cannot be understood without understanding the above global trends imposed by globalisation and 2008. This is what underscores

Prime Minister Johnsons repeated remarks of "levelling up" the country and why he, unlike the obstructive Congress, has provided repeated rounds of financial support even if it has meant painful U-turns. He knows that without this largesse, votes for his party would tumble in the North.

So, if anyone has aggregated voting patterns by income in the Red States, please let us know. This is a global question not only a US question.' I should add this is important to guide our work in the hinterland.

Further support for this theory comes from Brazil. 51% of Brazilians are now receiving either emergency aid or the Bolsa Familia cash transfer scheme. Having first opposed it and its subsequent increase by Congress, Bolsonaro claimed this scheme as his own and by doing so his popularity has grown. https://www.theguardian.com/global-development/2020/oct/10/jair-bolsonaro-brazil-coronavirus-aid. A bit like Trump insisting he sign the support cheques that went out under the CARES Act earlier this year, though this Act was a Democratic Party initiative.

Now that hard data about actual voting patterns is coming in rather than that of voter intention, it appears that Trump's vote did not erode. Rather support for Biden increased marginally more than did Trump's in their traditional heartlands. In rural areas votes for Trump were plus 33%, up from 32% in 2016, while in metropolitan areas support for Biden rose to 29% from Clinton's 25% in 2016. In other words, contrary to the belief that Biden's victory was due to inroads into red states, it was more likely due to the increase in votes for him in the metropolitan areas. https://www.economist.com/united-states/2020/11/14/our-analysis-of-the-election-results-suggests-that-2020-accelerated-a-long-running-trend

Conclusion.

The vaccine will not come to Trump's rescue. Rather his last stand will be to champion a relief package, to bribe those he did not protect as was his Presidential duty. He will fail.

In addition, attention now needs to be focused on markets and the FED. The wobble in the markets last week, the reversal of the vaccine trade, shows the markets are aware of the scale of the epidemic, but they still have no measure of the economic and financial fall out.

For the time being there is nothing to inhibit the destruction caused by the trailing winds caused by this viral hurricane. The vaccine came too late for this.

Brian Green 15th November 2020.