

Episode 95: "When Politicians Panicked" with John Tamny

Bill Walton ([00:08](#)):

Welcome to the Bill Walton Show. I'm joined today by my good friend, John Tamny, a terrific economist who's got an upcoming book called *When Politicians Panic: The New Coronavirus Expert Opinion and a Tragic Lapse of Reason*. John, glad to have you on. Just by way of prologue a bit, we're doing this in audio, and we've been doing our TV show in our studio, but I want to add audio to the mix as podcasts so that we can get a lot more content out. And there are a lot of smart people, with you being among the foremost, that I like to have continuing conversations with today about the virus and the lockdown, but as you and I know, a lot of other things that we need to cover and get out there. So, John, hi, welcome.

John Tamny ([00:59](#)):

Hi. Thanks for having me.

Bill Walton ([01:01](#)):

So, let's jump right in. I love your conclusion, or one of your conclusions, that if it's not apparent to readers yet, the view here is that the reaction by politicians to the Coronavirus amounts to the biggest 21st century crime against humanity, and nothing else comes close.

John Tamny ([01:22](#)):

Yes. Let's get right to the point. This has been a disaster for mankind, not a disaster for the elite. But even the New York Times, which has supported these lockdowns and this massive global government reaction, has acknowledged that the economic impact means that 280 million plus of the world's living humans are on the fast track towards starvation. When the US shuts down economically, it's felt globally in tragic ways, and so you have people in countries like the Philippines saying, "Will the virus kill us, or will starvation get to us first?" That's what the world faces, given this reaction to a virus.

Bill Walton ([02:15](#)):

This whole thing came along out of China. Could you give us your background of how you saw this scenario playing out?

John Tamny ([02:20](#)):

Well, I think China made it very clear early on that it was never, whatever you think about the virus, that it was never lethal, and how we know this is that US companies, the biggest, best, most prosperous US companies - think Apple, think McDonald's, think Nike, think Starbucks - have major exposure to China. There are 4,100 Starbucks in China. Apple gets a fifth of its iPhone sales in China. China's Nike's second largest market. The list goes on and on. And this is important because it's well known now that the virus was first discovered November in Wu Han, so it probably began spreading long before that, and the view from the experts at least is that the virus spreads very quickly.

John Tamny ([03:08](#)):

And so, we had months and months of quick, rapid spread of the virus, not just through China, but around the world, with no major spike in deaths. And people say, "Well, the Chinese in particular, they're dishonest. You can't trust their government statistics." China's the most smartphone dense country in the world. Does anyone seriously think that they could have hidden a major death count, even if the government didn't want to get it out? The Soviet Union couldn't even hide Chernobyl back in the '80s, when media was much more primitive. Are we to believe that the Chinese couldn't hide it? We knew in January this wasn't lethal. Say what you want, it was not lethal.

Bill Walton ([03:50](#)):

I think you wrote that Federal Express has got a distribution facility in Wu Han with 906 employees. And what did they have? Like four cases? And two were non-symptomatic, and the other two got it but then they recovered pretty quickly.

John Tamny ([04:06](#)):

Yeah. It's fascinating that this, yes, that's one of the first... My book is broadly about why politicians overreact and what a tragedy it is, but it concludes early on that, yes, we knew from China, and FedEx is the first example I use. Fred Smith gave an interview with Brett Baer on Fox News on March 18th, and he said [inaudible 00:04:30] 900 plus employees, all of them tested right in Wu Han, touching everything, no mask, none of the normal protections. So, four of them were tested as positive, as you note, two of them that were false positives, none of them died. FedEx is hardly some anecdote. This is a large operation at the epicenter of it. FedEx is, as you know much better than anyone as a public company, is required to report things happening that could have a material impact on its earnings, on its workforce. That it didn't even need to really report this in a major way, tells you that this was many things. Again, it just wasn't lethal.

Bill Walton ([05:10](#)):

Well, not only was it not lethal, they came out of the box saying we could anticipate a death rate of 5%. I'm not sure 5% of what, but a big number, and we're predicting two to 3 million, 4 million deaths in the United States. And as we've gotten five or six months into this, it turns out the real number is closer to 0.26%. Maybe not even that. If you age adjust it and if you look at where all the deaths have actually occurred, if you're over 80, yeah, you've got a big risk, but the risk for people under 70 years old, I think that's rate's been about 0.001.

Bill Walton ([05:47](#)):

So, this is a nothing, and yet it was made into something of epic proportions. There's got to be a political agenda, John. This is not just about health. I mean, I'm deeply skeptical of our so-called leaders, and I think now that they've gotten a taste of this kind of power, this lockdown... They said it was going to last two weeks, and now we're coming up on the six months. And in state of Maryland, where close to DC where I live, they're upping the restrictions rather than reducing them, even in the face of declining cases.

John Tamny ([06:30](#)):

It's really and truly remarkable, as you clearly point out. A lot of the deaths are people dying with it, as opposed to them dying of it. And I want to stress, however, that the case for lockdown becomes worse the bigger projections of death. Let's go back to the Imperial College, they thought two million Americans were going to die from the virus. If that's the expectation, lockdowns are wholly superfluous.

What about death would require us, the potential for death, would require then force from government to say, "You can't go. You can't leave your house"? You don't need it. Now, if it's 10,000, if it's a much smaller number, lockdowns are unnecessary and they're just tragic for the economy. But again, if it's that kind of number, we don't need politicians to tell us to stay home. We can do that on our own. We're going to take precautions. And as my book points out, that's what was happening around the US. There were already people self-selecting into lockdown because they were, right or wrong, they were fearful of it. We didn't need politicians to pile on.

Bill Walton ([07:42](#)):

Well, that's an important point. One of the fun things I did as a kid is I went to Woodstock in 1969, and that was as good as it sounded. Although, I think I was pretty young and stupid, but it was a great party. And I didn't know it at the time, but we were holding Woodstock in the midst of a pandemic, and it was just one of those things that diseases came along, viruses came along, and you had to deal with it. But the main thing that people did, and have done throughout history, is they take care of themselves. And one of the big problems I have with the way this has been treated is we're being all treated like children, as if we don't know how to take responsibility for our own health, our family's health, and protect ourselves. And yet, it's all been mandated as if we don't know how to do that.

John Tamny ([08:35](#)):

Now, you put it so well, that somehow we don't have a clue, that we need to be led by others. Everyone knows people like this, who quite literally will not open a door with their bare hand, who whenever they get onto an airplane, they wipe down the tray tables and the arm rests, who whenever they come home, wash their hands. Can I say, I have a wife like this? And the point of this-

Bill Walton ([09:04](#)):

You're married to this?

John Tamny ([09:07](#)):

She can't hear or see this, but she's seen me [inaudible 00:09:09].

Bill Walton ([09:09](#)):

What's the point if she can't listen to this part of the show?

John Tamny ([09:12](#)):

Americans don't, people don't need a law. People are so careful for all the reasons you say, and at the same time, I think it's so important what you say about Woodstock is that, yes, that happened amid a pandemic. Imagine if they tried to lock things down in 1968 or '69, they could not have done it. Everyone's job then was a destination. Nowadays, the well-to-do, they can do their jobs from anywhere thanks to technological advances, and so these lockdowns have had a decadent quality to them. Oh, wait, you can't work from home? You're not mobile?

Bill Walton ([09:52](#)):

Expand on that because you're saying something that is so true, is that there's... I've got a different definition. There's the analog world, which the physical world where you got to work in a factory or wait tables or deliver the mail, and you put it, you go to a destination for your job. Whereas, now, we've got,

I don't know, 30, 40% of the elites in this country that live in the digital world, and they don't need to go into an office. You can write your columns, you can be a politician, you can work on your computers and things like... You don't need to go into the office, so this lockdown really has not locked you down in a work sense.

John Tamny ([10:34](#)):

No, it's been the... How do I put it? That's it's been the ultimate nose up turn from the elite to the rest of us. "Oh, you're not like us? There's this famous story-

Bill Walton ([10:47](#)):

Exactly. Exactly.

John Tamny ([10:48](#)):

You know the name, the original private equity person, he was speaking, I believe, at Yale at their graduation. He said, "Well, now that you're graduated and you're all going off on your grand tours of the world's capitals," and people looked at each other, "Wait, what?" But that's what he did. And so, the elites in the US now are saying, "Oh, we can lock down because everyone's like us." Well, the reality is the vast majority of Americans aren't like that. Their jobs were a destination, and so they had what gave them a chance for a better life, what paid the bills ripped away from them. And then added to, a politician said, "Here's \$1,200 for your troubles. We'll take away what gives you dignity, and we'll hand you a check. We'll put you onto the payroll of government."

John Tamny ([11:33](#)):

I can't think of a more obnoxious, horrendous thing to say to people, and yet that's what's happened? Where is the outrage with this, that businesses that never, ever wanted to take a cent from government were, because they had no choice in the matter, they were one day told, "Your business is no longer yours, and if you want to survive, you need to get on the government dole." I can't think of a more hideous thing that politicians did. And again, it's hard for me to talk about this because it makes me so mad what they did to good, honest business people.

Bill Walton ([12:06](#)):

Well, and the other aspect of that is they made... you get some person working at a state government bureaucracy, and they get together in a conference room, and 12 of them decide what's essential work and what isn't essential work. And I know you and I share the view that all work is essential, and it's not only essential economically, but more importantly, it's essential morally. It's essential in the sense of our wellbeing. And I know you and I share the view that there's no job that's a bad job, or work that's bad work. All work is blessed. And yet, they decided, "Okay, well, this 40% of the economy's not essential." It's crazy. And it's coming back to bite us, and these unemployment numbers and these people who are epidemic... We've got an epidemic of opioid. We've got an epidemic of teenage suicide. We've got an epidemic of domestic abuse. We've got an epidemic of despair. But not among the elites, and so, therefore, it's unseen among the chattering class.

John Tamny ([13:18](#)):

That's right. No, it's so sickening. Yes, obviously, we do clearly agree that there's no such thing as a bad job, and to think that politicians just decided one day, "We'll pick winners and losers, and we'll take from people." The dignity that comes with getting up every day... Not every day at work is good, but boy, you

feel better for having done it. And I can say in my case that I can't not do what I do. It would be a very high number for someone to bid me out of what I love uncontrollably.

John Tamny ([13:52](#)):

And to think that there are personal trainers who got such joy from doing this. "No, no, no, you can't do that anywhere. You'd be too close to someone else." To think chefs were basically told, "Wrap your genius in plastic now. You must hand your food out in a plastic wrapper like you're a criminal to other people out the door." To think that waiters who built up their clientele, in a sense, were told, "You can't do that." Just the numerous jobs where people said, "Oh, doesn't matter anymore, but we'll write you a check for your troubles." I think it's, in many ways, it's the most hideous thing about that, this what they did, just the arrogant elitism that was behind these awful lockdowns.

Bill Walton ([14:36](#)):

Well, the basis behind lockdowns, or the logic behind the lockdowns, what they call science, there's really zero factual basis, and the CDC itself morph from month to month to month, "It's not at all lethal. It's going to be lethal. You don't need masks. You need masks." The social distancing guideline for a century with, I think, starting in 1918 with that terrible pandemic, and that was a real one and it was lethal, they had social distancing guidelines of one meter, which is a little over three feet. And then, a couple of bureaucrats in London, early on in January, February decided, "Well, people didn't really know what a meter was, so let's make it six feet," and so we had this distancing guideline of six feet.

Bill Walton ([15:31](#)):

And there's no scientific evidence that it's six feet whatsoever, yet the social consequences of being distanced six feet versus being distanced three feet are enormous. That means there's no spectator sports. It means restaurants have to close down, bars close down. And this is something that I know bothers you a lot, is you've got a couple of people arbitrarily in positions of government that decide the number of six feet, and this has untold consequences upon billions and billions of people worldwide.

John Tamny ([16:05](#)):

It does, and it's all based on really weak information. And let me be clear, I'm not saying this as a scientist, I'm just saying this has someone with common sense.

Bill Walton ([16:14](#)):

But you don't need to be a scientist. You can look at the way the numbers are rolling in now. The cases [crosstalk 00:16:19].

John Tamny ([16:18](#)):

But even if you couldn't look at the numbers, what you could say is, "What we don't know could fill many books."

Bill Walton ([16:27](#)):

What scientists don't know could fill even more books.

John Tamny ([16:31](#)):

Precisely. And you go back to the 1980s and you look at the AIDS scare. Remember, it was Anthony Fauci wrote a paper back in 1983 saying that AIDS could be transmitted from husband and wife just by being in the same room. The view back then was that... In England, they put up signs in London saying that one out of five Londoners or Englander or Britishers would get AIDS. It turns out a microscopic portion of the population got it. It was largely transmitted by homosexual contact. At the time, [inaudible 00:17:06] all of our disease. This is not a common on homosexual... It's just what we didn't know back then. Remember when Rock Hudson famously kissed the beautiful Linda Evans on Dynasty, and after he did [crosstalk 00:17:19].

Bill Walton (17:20):

Oh, yeah. That was [crosstalk 00:17:19]. Well, that was-

John Tamny (17:22):

He said it was the worst day of his life because he thought he had made potentially killed one of his friends. It turns out that there was nothing to worry about at all, but what we didn't know was endless. And so, back then we reacted in the way we reacted, but we didn't shut down the global economy. This time, in response to a virus, it's not just that the numbers are coming in low, we shut this down based on an utter lack of knowledge about how the virus spread, which is precisely what you wouldn't want to do. You want to learn how it spreads, which is why you don't shut free people down.

Bill Walton (17:55):

Well, and then there's this fundamental thing that, again, I don't think you need to be a scientist, I think you need to be good at math and follow the statistics and the facts of history. And the fact of history suggest, and I'm 98.9% of being very scientific about that this is true, is that there's no instance in history of human beings shutting down the spread of a virus. I had Angelo [Codevilla 00:18:23] on show or two ago. We were talking about this. He points out that Angela Merkel, who's the prime minister of Germany, who is a scientist, trained... I'm not sure what her precise degree is, but she said, "Hey, this is a virus and this is not going to stop until 70% of Germans have been exposed to it or got it and developed antibodies." And then she said, "That is that. Let's let it go."

Bill Walton (18:55):

So, just this premise that somehow we can set up these defenses against this virus... I have a friend, Bob McEwen, who says wearing masks is like putting up a cyclone fence in your backyard to prevent mosquitoes. No evidence the mask works either for this kind of virus. So, we're dealing with something that's going to happen, and the sooner it happens in a controlled way, the quicker we're going to get out of this. And I keep coming back to the fact that there are vulnerable people. If you're over 80, you have a comorbidity, if you're obese, morbidly obese, you have diabetes two, or you've got lung and heart conditions, you got to be very careful. But other than that, the lethality rate just is not there.

John Tamny (19:42):

And it's so true, the lethality rate's not there, but think about also what it says. We are a world that's evolved based on people being around each other. Steve Jobs built Apple's latest headquarters based on the idea that he wanted humans to be bumping into each other and spreading ideas. So, in response to a virus, I love what you and Codevilla point out, that it never in history have we responded in this way to a virus, and logically so. Because the very people who have ended all sorts of diseases... Let's go back in

time. Tuberculosis used to be the biggest killer in the United States. Pneumonia was captain of man's death. Why are they no longer? Well, they're-

Bill Walton ([20:28](#)):

Walk us through that. Because you've got a chapter in there on the history of economic progress and how medical progress went lockstep with economic freedom and innovation, and a lot of things that were incredibly lethal even just 100 years ago or not because of free economic exchange.

John Tamny ([20:50](#)):

Yes, absolutely. It used to be, in the 19th century, that medical school was a trade school. It was very primitive. And back in the 19th century, if you broke your femur, the operation was amputation, but you had one in three chances of death. Broken hip-

Bill Walton ([21:08](#)):

Break a leg and you get amputated?

John Tamny ([21:10](#)):

Yeah. That was how they operated, but you had a high chance of dying. And then, a broken hip was a death sentence, of course. Cancer, forget about it. But realize, most people didn't live long enough to get cancer. As of 1910, cancer was the number eight disease, number eight killer in the US because tuberculosis and pneumonia, pneumonia the captain of man's death, got you first. And so, what changed this? Well, Johns Hopkins made a lot of money in the railroad industry and created the Johns Hopkins university and the great medical school. And then, John D. Rockefeller, of the 500 plus million that he gave out in his lifetime, 400 million plus he gave to medical advances, that gradually it gave scientists and doctors the means to create cures for all sorts of things that used to kill us.

John Tamny ([22:07](#)):

And so, yes, nowadays, we talk about dying of old age. Does anyone realize what a luxury that is that 40% of the COVID deaths have taken place in nursing homes? What does that tell us? People never got to old age before. Alzheimer's disease, massive economic progress. To think that people actually have a disease that takes them because they essentially live too long. And so, it raises the question, if the economy continues to grow what, admittedly, horrible diseases we'll discover, but ones that come much, much later in life. Economic growth elongates life and living standards, yet in response to a virus, they destroyed the economy and created economic desperation. I can't think of anything more backwards.

Bill Walton ([22:53](#)):

It just occurs to me that this virus lands in the middle of a culture or society in America today, we've been talking about snowflakes and safe spaces and speech and all those sorts of things that are supposed to make people vulnerable, and increasingly, we've been trying to engineer a risk-free society, which you're saying is forget about that. Before the invention of antibiotics, which is just in this century and all of the advances that we've had even in the last 10, 15 years, even then we can't eradicate risk, and yet that's exactly what we're trying to do. There're real limits, I think, on what we can expect government to protect people from, and most of that which people want to get protected from, government can't do.

John Tamny ([23:51](#)):

No, they can't, and governments aren't meant to protect them from these things. Let's say something that you and I may or may not agree with. I assume Anthony Fauci's a smart guy. I don't like what he's done, but I'm going to assume he's a smart guy. But is he smarter than all of the fans inside Washington National Stadium. I say that because he's a big Nationals fan. No, he's not. The people in a packed National's Stadium collectively know far more than he does.

John Tamny ([24:22](#)):

That's why markets work. Markets are just this decentralized combination of knowledge. And every time there's some sort of crisis, something that government deems crisis, what do they do? They centralized power in the hands of the few. Is it any wonder that we get to situations like this when we let the experts control what they couldn't possibly control? [inaudible 00:24:48] they're going to make mistakes. That's why you let people free. Markets work because markets are information personified. When you hand government control, you're basically shutting out information, you're blinding society and information on the way to crisis situations like this. Government not only shouldn't constitutionally, at least federally, protect us from virus, government can't protect us from viruses.

Bill Walton ([25:12](#)):

Well, I agree. How do we unwind this? The reins of power have never been held tighter by governors and mayors, particularly in the Democrat controlled states. I introduced Kristi Noem, who's the governor of South Dakota, at a recent conference, and it's striking, she didn't do any of this and yet South Dakota is thriving with very low cases and lower, lower hospitalizations and very few deaths. So, you've got the counterexample of South Dakota, and then you have New York, or Maryland or Virginia, which have been equally draconian in their lockdowns, the governors enjoy it. They like this. So, where do we go from here?

John Tamny ([26:01](#)):

They do. No, I think you're right. I think they were amazed by how much power they actually had. And so, where do we go from here? This is why, even though I cite numbers in the book, I don't stress them. The penultimate chapter in the book, I talk about how the numbers don't add up. It's not just South Dakota and New York. Isn't it interesting that in Vietnam they have yet to report a death from the Coronavirus. So, people say, "Well, no, it's in poor countries hit most." Well, what about Myanmar? Very low death count. But it's crowded cities, they say. Unless you look at Thailand. Bangkok is the most crowded city I think I've ever been to. That's where the virus first reached outside of China. The death rate there is microscopic.

John Tamny ([26:48](#)):

And so, who knows why it spreads, but my argument is, this is why we don't want to focus on numbers, because if we do, the next time of virus comes about, and a virus will, people will say, "Well, this time is different. It's supposed to hit young people. It's supposed to hit people in their 30s. We've got to lock down." No, no, no, no, no, no. Lockdowns blind us because they don't teach us how the virus spreads. You want 330 million Americans doing different things, experimenting in different ways. Some will literally hide in their houses biting their nails for months, some will say, "Are you kidding me?" I'm going to hit the bars. I'm going to chase women. I'm going to chase men." You want those people. You want to find out if somehow they are at a bigger risk than those locked down at home. And you want the people

in between trying different things. When you limit freedom, on its own that's the biggest problem, but when you limit freedom, you blind people.

Bill Walton ([27:53](#)):

Well, but that requires enormous political courage, because if there's one death that shows up, all of a sudden you're brought down by that one person that did something. John, you and I are in violent agreement that freedom is the way to make this thing go away, or at least for society to absorb it, experience it, and deal with it. The Venetians knew how to handle a virus. They'd lock people in who had it or remotely associated with it. They locked them in their boats out in the harbor. They couldn't come in until they'd gone through the quarantine period. The Boy Scout handbook has got a chapter on quarantining the sick and leaving the healthy to live their lives. We've done just the opposite. We've quarantined the healthy.

John Tamny ([28:47](#)):

[inaudible 00:28:47] we've [inaudible 00:28:48] progress.

Bill Walton ([28:49](#)):

So, what I would like to do is I want to... We're about at the end of this particular segment. What I want to do, let's come back to a second conversation about why this shouldn't be about the numbers. This should be about principles, and this should be about what really works. And what really works is freedom, economic freedom, and people to make their own choices, and the freedom to make your choices also means the freedom to fail. And we've taken failure out of the equation for much of society. I'd like to talk with you about that next time, maybe next week or two or so.

John Tamny ([29:25](#)):

Love to.

Bill Walton ([29:27](#)):

John, John Tamny's got an upcoming book titled up When Politicians Panic: The New Coronavirus Expert Opinion and a Tragic Lapse of Reason. And that's a great title, and I so agree. John Tamny, thanks for coming with me. You've been listening to the Bill Walton Show, and join us for our next episode. We'll get into this and other extremely interesting topics. Take care.

Speaker 3 ([29:53](#)):

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