

Economic Prospect

The Bulldozer

John Addison Teevan (38:6) April 30, 2020

Getting a Grip on the COVID-19 times we live in: Stories can be useful especially if they contain metaphors about something basic...today I'll use a garden. Let's say that you want to have a garden in your back yard; in fact, with the COVID-19 crisis you need a garden. What should you do?

You would mark out a space, let's say 60' x 80' for your garden. You could ask your brother-in-law to come and help you; he would be happy to help, but he has a very small tiller. You know that if you ask him you will wind up using your own shovel and doing plenty of hard work.

Why not call the guy who will rototill your garden and leave it in perfect shape for \$90. Not only that, but he will easily have the work done by May 15, so you can plant your prized tomatoes.

What if the federal government got involved? Uncle Sam claims that because of the crisis, we all need gardens. On that worthy basis the Feds will provide a free garden in your yard. Sounds good!

But the Feds come on July 5; they send the Army Corps of Engineers which brings a bulldozer, cracks your driveway, runs over your flower bed, and leaves enormous ruts in your yard. Bulldozer!

Uncle Sam's actions over the past months are pretty good, but they lack precision, and, in spite of good priorities, they have created the problems of a bulldozer in your back yard...in all back yards.

Did the \$1200 checks get to all? No. Millions of citizens will likely be missed. Bulldozer.

Did the Payroll Protection Project help everyone who needed it? No. Many were missed among the self-employed, small contractors, and invisible people. Bulldozer.

Did many get \$600/week in unemployment benefits? Yes, but that's turned out to be better than working which is counterproductive to getting the economy back. Bulldozer.

Did the health measures treat small towns in upstate NY or towns in downstate IL properly? No. They treated them as severely as New York City and Chicago. Bulldozer.

Did the lockdown stop the virus? No, it 'bent the curve' though many measures are designed to prevent (delay) people from catching the virus rather than preventing deaths. Bulldozer.

Did the entire restaurant, airlines, auto production, hotels, sports, real estate, and retail businesses have to close down entirely? Maybe, but eight weeks is a bulldozer timeline.

Did the school year have to end? Did people have to put off all surgeries? Did there have to be so much depression and domestic violence? Did?...Did?...Did? Bulldozer.

There will be long term negative impacts on society, liberty, family, businesses, and education of our children. There will be a worldwide depression; a stoppage of capital projects; the ruin of countless entrepreneurs; the loss, I hope, of credibility of several state governors and city health directors.

What about the explosive growth in the government's debt? What about the unprecedented expansion of the Federal Reserve's balance sheet? No one has had to worry about either in recent years, but both are enormous. Inflation has been quiet for decades, will it really never come back?

Both your brother-in-law and the hired tiller have the competent agility that federal government lacks.