

Economic Prospect

Protect the Vulnerable, Sequence the Plan, and Communicate Calmly

John Addison Teevan (38:2) March 19, 2020

Mohammed ElErian, an exceptionally clear business commentator, believes that this is the time for the government to send only clear and practical messages. Watch his clarity:

- Protect what is vulnerable both in the population, in the functioning of the economy and of the markets. That means helping the sick and the unemployed. Locals can help too.
- Roll out a sequence of fiscal interventions and monetary policies as well as clear healthcare guidelines. Cutting bureaucracy and red tape are important here.
- Communicate the plans and show progress on the steps being taken.

Dr. Fauci and others are doing a very good job on the medical side. However, all the good medical ideas come at the expense of suddenly vulnerable businesses and now the whole economy.

Good news: on Friday the market rose 1800 points because the medical plan was clear. By Monday the misfired steps from the Fed (looked like a panic reaction) led to a drop of 3000 points.

Is a pandemic worth putting millions out of work? When it comes to shutting down the businesses for the sake of health, Dr. Fauci's goal is not to keep the number of cases under 200,000 but to spread out the likely cases over eight months rather than eight weeks.

If it were eight weeks, it would crush our medical providers as in Italy. Meanwhile, endless small employees and employers have no income. Millions will be out of work. The cost is HIGH!

Are we vulnerable? Yes, let's hope the shutdown does not include the guy who collects our garbage. And that the lights stay on; now is an awful time for a cyber-attack on our power grid.

If you are in seven feet of water but can't touch the bottom you may feel a tinge of panic; the same as if you were in 50 feet of water. The minute you touch bottom, however, you begin to feel secure even if you are still struggling. Many sectors of America are still trying to find the bottom. The stock market, health care, employers, airlines, hotels and restaurants cannot find it yet.

Economists always notice supply and demand. The demand for grocery products and paper goods is sky high with long lines at Owens and Costco, while the demand for airline flights and hotels is down dramatically, and malls are closing for a while. This will take some time to sort out. Will the corona virus still be active in mid-April or in May or in June?

One casualty may be red tape. Cutting red tape has drawn praise even from the brilliant leaders of the CDC, which I'm fairly confident has elements of a massive bureaucracy. Those who think we "cannot be too safe" can produce and enforce extreme measures that cost lives. Example? An anti-malarial treatment in Southern France that might be effective against COVID-19. Don't block it.

Churches may see the futility of an online church service as a *total* replacement of church. Too many of us think of church as what we 'go to' on Sunday. Common and not crazy, but not the real thing. The church is also people *servng all week*. Tech can aid and substitute, but it cannot replace. Small home groups are needed during this time even if they gather by Zoom or GoogleMeet; both are super simple *after* you finally get the first one right. Don't isolate the people. Neighborhoods too.

I wrote earlier that I went to the Chick Fil-A manager in Ft W to express my displeasure at the corporate cutting of support to the Salvation Army as if the woke could be mollified. I think CFA should give \$1m to the Army in each of their states. I'll give another opinion; I think we should support the CCS and Army locally. Want to get personal? **I know and admire a guy** who's going to laundromats and giving out \$5 in quarters to any one there. Now a friend of his is going with him; they are getting \$5 donations from some who say they don't need it, but they want to pass it on.

I think we sense our need for God more. We are simply not in full control as we often imagine.