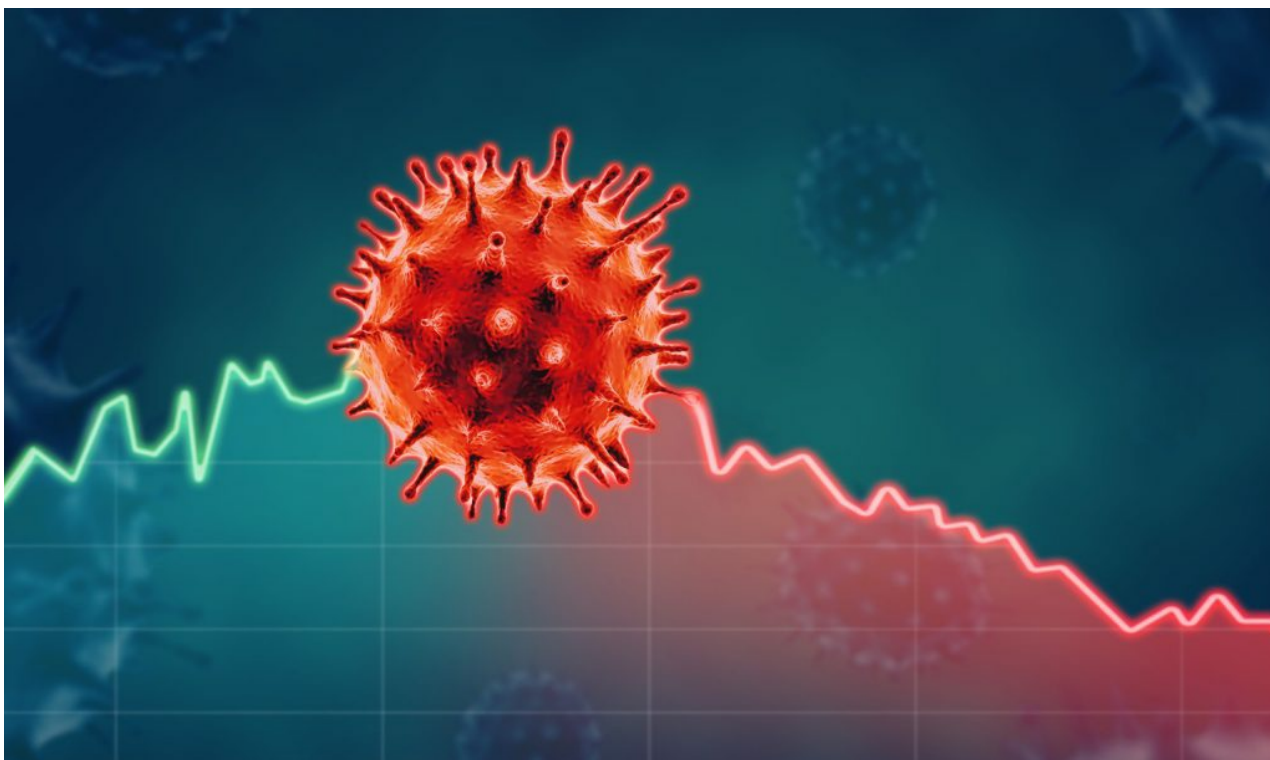


There's No "Trade-Off" Between Saving Lives and Saving the Economy

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Congress has planned to spend \$2.2 trillion to address the unprecedented double-whammy of a public health crisis and an economic crisis. But President Trump and some of his allies are still arguing that we can't solve both problems at the same time. In fact, they're claiming that there is a clear "trade-off" between the two goals. According to this logic, we can either "save Granny" or we can "save the economy" — but we can't do both.

Nonsense.

In February, when he had a chance to take decisive action to get ahead of the virus, Trump told his advisors not to "do or say anything that would further spook the markets." Trump's weeks of downplaying the crisis, and his failure to prepare for the looming pandemic, deepened the problem.

But having finally acknowledged the seriousness of the crisis last week, Trump is nevertheless expressing false hope – against the advice of public health experts – that Americans should be able to go to church on Easter Sunday (April 12) and go back to work the following day. On March 26, he proposed identifying "low risk" regions where reducing mitigation and social distancing efforts in order to re-open businesses could

occur. Yet public health experts warn that it is too early to get the country back to normal. They have continued to maintain that a nationwide approach is needed to fight the spread of a virus that doesn't respect state or county boundaries.

Trump is clearly more worried that a high unemployment rate and a troubled stock market will hurt his re-election chances than about putting millions of Americans at risk of contracting the virus and dying. He's claimed that the damage to the economy will hurt the country more than escalating deaths from the virus. *"You're going to lose more people by putting a country into a massive recession or depression," he told Fox News on March 24.*

Trump's conservative allies and some business leaders have echoed this view, and *Fox News* and *Bloomberg News*, have amplified it.

"We can't shut in the economy," Larry Kudlow, Trump's top economic advisor, told *Fox News*. "The President is right. The cure can't be worse than the disease, and we're going to have to make some difficult trade-offs" between protecting Americans from the virus and returning the stock market back to its previous level.

Lloyd Blankfein, the former CEO of Goldman Sachs, tweeted on Sunday that "crushing the economy, jobs and morale is also a health issue and more. Within a very few weeks let those with a lower risk to the disease return to work," he advised. "Whether we like it or not, the choice between lives and the economy is already dictating events," wrote *Bloomberg News* columnist Clive Crook.

On Monday, *Fox News* host Laura Ingraham tweeted: "In one week we need to be heading back to work, school, stores, restaurants, and churches with new protocols in place. The risk if we don't is that we lose far more in terms of death, pain and suffering than this pandemic will bring."

Some seem to think the choice between safeguarding the public and economic health is a moral flip of the coin. A former CEO and chairman of Wells Fargo, Dick Kovacevich, wants healthy workers under 55 to return to work in April too. "We'll gradually bring those people back and see what happens," he told *Bloomberg News*. "Some of them will get sick, some may even die, I don't know. Do you want to suffer more economically or take some risk that you'll get flu-like symptoms and a flu-like experience? Do you want to take an economic risk or a health risk? You get to choose."

Tom Golisano, the founder and chairman of the payroll processor Paychex Inc., told *Bloomberg News* on Tuesday that "The damages of keeping the economy closed as it is could be worse than losing a few more people. You're picking the better of two evils. You have to weigh the pros and cons."

Likewise, right-wing talk show host Glenn Beck told his audience on Tuesday that older Americans should get back to work in order to "keep this economy going and working," even if that means risking death from complications of the new coronavirus. "I would rather have my children stay home and all of us who are over 50 go in and keep this

economy going and working,” Beck said. “Even if we all get sick, I’d rather die than kill the country.”

It is, perhaps, possible to put a dollar sign on every death as part of a cost-benefit analysis. But a humane society doesn’t frame addressing the public health and economic crisis as a “trade-off.”

We can deal with both crises simultaneously if we mobilize our nation’s resources as though we are on a war footing, as we did during World War II. Congress has already agreed on one package, and others are in the works. If the government does not continue to respond, and simply lets Americans fend for themselves, the public health crisis expands in ways we can predict. In addition to millions of people dying from the virus, we’ll see a lot more suicides, heart attacks, child abuse, domestic violence, and other collateral damage that typically accompany lay-offs and unemployment.

Moreover, much like post-traumatic stress disorder in wartime, for some people, the symptoms become chronic and long-lasting, even after they find work again, according to studies by Dr. Harvey Brenner, a sociologist and public health expert at Johns Hopkins University and the University of North Texas Health Science Center. Psychological depression, troubled marriages, and loss of self-confidence don’t just go away when the economic recession ends. Unless people get financial relief to weather the storm, economic hardship leaves behind a trail of wounded people who never fully recover

Two months after America’s first confirmed case of the coronavirus, the United States now has the highest number of known cases of coronavirus in the world — more than 82,000. As of March 27, at least 1,195 have died from the disease.

The number of cases is probably much higher but the Trump administration’s failure to provide enough tests has made it impossible to know how many lives — other than Glenn Beck’s — might be put on the line in the name of the economy. Projections from the federal Centers for Disease Control and Prevention estimate that deaths of Americans from the coronavirus could range from 200,000 to 1.7 million. Experts like Northwestern University economist Martin Meichenbaum and Harvard University epidemiologist Marc Lipsitch predict that in a worst-case scenario — if stores and other businesses remain open and Americans top social distancing — as many as 215 million Americans could become infected and 2.2 million could die from the spread of the virus.

The Department of Labor announced on March 27 that 3.3 million people filed for unemployment insurance last week — more than four times higher than ever recorded, and a significant increase from 282,000 the previous week. Some economists are predicting that the unemployment rate may reach 15% or higher — more than at any time since the Great Depression.

But unlike the Depression, we now have a safety net, we know how to use it, and we need to expand and strengthen it in order to reduce enormous suffering.

Some pundits and politicians are erroneously describing Congress’s \$2.2 trillion

spending bill as a “stimulus” plan. That’s a huge mistake. We cannot stimulate the economy now if we’re also asking people – except those in essential services — to stay home from work so they don’t get sick, spread the disease to others, or die.

But we can fix the short-term (three, six or nine-month) economic crisis by providing immediate relief to people who have lost their income because they are not working or working fewer hours. What’s needed now is “relief” – or survival payments — not stimulus. The goal is not to create more jobs. It is to pay people *not* to work.

In fact, to protect public health, we must shut down more businesses and workplaces so people can stay home, but any business that gets federal aid should be required to retain, not lay off, their employees. If they aren’t working, then the economy’s “output” will dramatically decline. We won’t be producing the goods and services that the normal economy would be producing. That’s OK, if people have sufficient income to make ends meet while they are staying home from work. That means providing them with money to buy groceries and pay rent and mortgages, keep the heat on, and keep up with tuition payments.

I’m not going to get my car fixed now because my mechanic has closed his shop. But if the federal government provides economic support for the mechanic and his six employees, it doesn’t matter if his shop isn’t getting any business right now. If he can survive financially, with federal help, then he’ll re-open his shop in three, six, or nine months. The same is true with my barber, the trainers who work at the gym I go to, the people who work at the restaurants I’m now not going to, and the folks who work at my favorite local bookstore (which is now shut down except for on-line sales).

We should not be encouraging people to visit Disneyland. We should be helping the 30,000 people who work at Disneyland to survive. The California resort is owned by one of the world’s largest, richest and most profitable companies. Its stockholders don’t need a bail-out. It will return to normal in six months or a year, whenever we contain the virus, but only if the potential visitors haven’t gone broke in the meantime.

People aren’t going on cruises, taking planes (air travel is down almost 90% from this time last year), and staying in hotels. That doesn’t have to be a catastrophe. For example, airlines can go into bankruptcy and still operate planes when the time is ready. Right now, as Sarah Nelson, president of the Association of Flight Attendants, has said, any federal aid to the airline industry should be targeted to its two million employees, most of whom will be at home. The same is true in other industries and it particularly true in terms of small business owners and other self-employed Americans, including so-called independent contractors like Uber drivers, port truck drivers, and consultants. We should be helping workers, not stockholders.

And that is good for the economy.

Conservative, small-state solutions – neighbors helping neighbors, states and localities deciding what is best for them – cannot, on their own, address a crisis of such magnitude. If we are going to save millions of lives, we need to increase social distancing and isolation as well as ramp up the manufacture and distribution of medical supplies (ventilators, virus tests, masks, ICU equipment), field hospitals and bringing retired and part-time medical personnel back to work. That can't be done by relying on charity (such as asking construction companies to "donate" the masks that construction workers use to local hospitals, as Vice President Mike Pence suggested) or relying on the private sector to increase production on its own.

Only the federal government can solve these problems. Unfortunately, we don't have a president who is willing to use the authority and resources at his disposal (such as the Defense Production Act) except to the extent it serves his own financial and political self-interest.

During WWII, car companies were told to build tanks, not cars; aerospace companies were told to build military planes, not commercial planes; and clothing companies were told to make uniforms, not clothes sold in retail stores. Trump steadfastly refuses to do this. On Sunday, Trump called this "nationalization" and "socialism" and then referred to Venezuela – as if getting masks and ventilators to hospitals, and relief checks to Americans who have lost jobs and income — is somehow a radical idea.

Despite the money earmarked for direct relief and hospitals, Republicans have also insisted that funds also go to large corporations: a quarter of the money in the current legislation will go to specific industries and specific companies like Boeing. The funds will be allocated at the discretion of Treasury Secretary Steve Mnuchin, a former Wall Street banker who, before joining the Trump government, was known as the "foreclosure king." Unless there is proper oversight, one can imagine that Mnuchin will prefer to dole out the money to companies located in states where Trump needs help in his re-election effort.

Blue states like New York, where the crisis has become severe in a matter of days, are already seeing an imbalance, but no state is getting what it needs. The bill includes \$150 billion for states and local governments, which are facing dramatic losses in tax revenue needed to provide basic services – including police and fire protection, health care, and basic maintenance of infrastructure. But In a phone call with Trump, Democratic and Republican governors alike warned that the \$150 billion was insufficient.

Trump immediately went on TV and Twitter to blame governors – calling out the Democratic leaders of Michigan, New York, and Washington by name – for being ungrateful. "Some of these governors, they take, take, take and then they complain," Trump tweeted. "They take, and you do a great job, you build them a hospital, and then they are always complaining." Then he told Fox News host Sean Hannity that governors and health officials are exaggerating the need for ventilators. "I don't believe you need 40,000 or 30,000 ventilators. You go into major hospitals sometimes, and they'll have two ventilators. And now all of a sudden, they're saying, 'Can we order 30,000 ventilators?'"

In these extraordinary times, we need our elected officials – all of them — to take extraordinary actions, and it will take more than money. Both the federal and state governments have the authority to limit price-gouging by businesses. Companies that jack up the prices of essential items – hand sanitizer, masks, toilet paper, etc — should be fined and jailed. There should be temporary emergency national rent control and other price controls, like there was during World War II. States should impose eviction and foreclosure moratoriums.

The United States has the resources and the authority to address both the public health crisis and the unemployment/income problem over the next few months. Once that is accomplished, and the COVID-19 outbreak has been contained, then it will be time to stimulate the economy by asking people to return to work, increasing consumer spending, and providing assistance for business and industries that truly need it.

Then we can return to the national debate about providing health insurance and child care for all, developing a job-creating Green New Deal, raising the minimum wage, mandating paid sick leave and paid vacations, reducing the cost of a college education, and other ways to make America safe and prosperous, while also making sure that the country is prepared for future national emergencies.

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