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Flatten the Coronavirus Curve at a Lower Cost

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The bill for the government response to coronavirus will be astronomical. The trillion-dollar “stimulus” is a lot of money, and it will eventually have to be paid for with taxes. The economic shutdowns are even more expensive. The U.S. economy produced about \$21 trillion in 2019. If “essential” businesses still open are even half of that, each month of a national shutdown costs the economy almost a trillion dollars. The damage will become harder to fix as businesses fire workers and close forever.

OK, governors had to call a sudden economic stop to get a handle on an out-of-control situation. These precious weeks can bend the curve and buy some time to prepare the health-care system. But governors must also use this time to work with businesses on a plan for reopening the economy in a way that mitigates health risks. The White House is reportedly discussing ways to ease restrictions as early as next week, but local and state officials will have to produce well-considered plans to open up the economy in a relatively safe way.

A blanket lockdown can't go on. Keeping every business closed and every worker at home until a vaccine is available won't work. Replacing the private economy with borrowed federal money for months on end won't work. If this were the plague, with 50% of the infected dying, it might be a different story. But people won't put up with losing many trillions of dollars to flatten the curve of this virus.

Government officials should mandate safety measures, but those regulations need to be more tailored than a total shutdown of “nonessential” companies. Businesses were doing a good job already: announcing sanitation, social distancing and other protocols to keep operations safe and reassure customers. Visit any airline's website.

State and local governments need to work with businesses to figure out a satisfactory combination of personal distance, self-isolation, frequent testing, stricter rules for those who must interact with customers, cleaning protocols and so on. Each industry will likely be different. Even onerous rules, which can be eased as officials and businesses gain information and experience, are better than a blanket ban.

The massive cost of a shutdown justifies costly measures to avoid it.

For instance, send some of the rivers of federal cash to purchasing more beds, ventilators, test kits, masks and gowns. Even \$100 billion is cheap compared with \$1 trillion a month. President Trump said on Friday he will use the Defense Production Act to spur companies. Some on the left, such as New York Gov. Andrew Cuomo, have pushed for the White House to nationalize relevant industries. Forcing production is unnecessary and inefficient. Just pay a premium for the

needed medical supply. So what if companies profit? Profit makes a great incentive. General Motors has already shifted to producing ventilators to meet demand. Compulsion isn't necessary—either to save money or to get industry to produce.

Government officials need to work with a scalpel, not a sledgehammer. Isolate old people and those with pre-existing health conditions, who are much more likely to end up needing emergency care, while letting the young and healthy get back to work, carefully. Retired people have income streams that aren't as disrupted by the virus. They can stay home. Lock down hotspots, but not entire states. Follow the Taiwan, South Korea and Singapore models: extensive testing, contact tracing, detailed people tracking. But keep the economy open, subject to stringent safety rules.

That approach may be expensive and onerous, but it's better than destroying Americans' livelihoods. It is time to craft a much more detailed, thoughtful, and cost-efficient policy to deal with the coronavirus pandemic.

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