

## Leaky Vaccine or Not, History Won't Be Kind to Operation Warp Speed

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"I can't think of a single, major innovation coming from experts in the last thirty, forty years. Think about it, isn't that stunning?" – Vinod Khosla

Back in the 1980s when an AIDS diagnosis was most terrifying, Cato Institute co-founder Ed Crane warned against a federal solution to the virus. He made the point that particularly with killer viruses, you don't want to limit pursuit of a cure to traditional players. Paraphrasing Crane, you want all manner of innovative, and frequently "crazy" minds crafting all sorts of alternative approaches. He nailed it. Of that, business history is clear.

Disruption born of innovation invariably comes from outside the industry that's about to be disrupted. Following up on the Vinod Khosla quote that begins this piece, the venture capitalist stressed to author Sebastian Mallaby in Mallaby's brilliant new book *The Power Law* that "If I'm building a health-care company, I don't want a health-care CEO. If I'm building a manufacturing company, I don't want a manufacturing CEO. I want somebody really smart to rethink assumptions from the ground up." With drugs, why would it be any different?

All of this and more has frequently come to mind with Operation Warp Speed. The latter was launched in 2020 to great fanfare, including cheering from conservatives. Though they've historically disdained industrial policy, cronyism and tight relationships of any kind between business and government, somehow pharmaceutical companies were immune to the dangers of the oxymoron that is "government investment." The stance taken by conservatives was a mistake, and not because we're routinely hearing about triple-vaccinated individuals catching and transmitting the virus. To focus on how leaky the vaccinations have seemingly been is to presume expertise where there isn't, and it's also shooting fish in a crowded barrel. This write-up will leave the efficacy (or lack thereof) of the virus to the experts....

Operation Warp Speed insulted basic reason simply because government can't play investor, and it particularly can't (or shouldn't) when something dangerous is in our midst. While experts can agree or disagree about how threatening the coronavirus is to our health, if it's true that Americans faced great danger in a world without vaccines then that's all the information we would need to dismiss an "Operation" that funneled taxpayer funds to the usual players. Much like with AIDS, if the virus embodied a lethal threat to our health then logic dictates not just a "Right to Try" in response to it, but also a "Right to Innovate." Except that's not what happened. Specific companies were handed billions by the federal government, after which alternative ways

of medicating or dealing with the virus were roundly ridiculed. In other words, the federal government embraced an “expert standard.”

Yet as the observation from Khosla makes rather plain, a truly enlightened government would have gotten out of the way. The bigger the problem, the greater the need for outliers trying new things. This didn't happen. Instead, a government spending the money of others centrally planned the pursuit of a vaccine, along with distribution of same.

Unfortunately, the story gets worse from there. Since our federal minders were actively spending billions to protect us, the effort shamefully delayed our getting back to normal; as in going back to school, work, and life in general. If our self-proclaimed protectors were going to come up with a vaccine, why not take a longer break from reality? Leaving aside the schooling that didn't happen thanks to this, along with the work that didn't take place, can we ignore the lethal health problems not diagnosed, the jump in suicides, and a general decline in mental health that seemingly occurred in concert with forced separation of rather social creatures?

Worse, what does government as quarterback of medical solutions mean the next time a virus rears its meek or ugly head? It's no insight to say that there will be a next time, and since even conservatives now think Operation Warp Speed was brilliant, will we lock down during the next time(s) while the feds dole out cash to favored pharmaceutical firms?

Speaking of, what of the pharmaceutical firms? In the real world, every action is a tradeoff. Since it is, will a historically innovative sector find itself discovering less as it operates more with government directives in mind? Government can't be an effective investor given the basic truth that investment is all about winning AND losing, which means government arguably won't improve pharmaceutical firms with its gold-plated directives as much as it will deform them. Without once again commenting on the effective or ineffective nature of the vaccines, is it impolitic to ask if perhaps the answer to the virus isn't a vaccine?

Along these lines, the sick sidling up to the sick is as old as humanity is. Yet this time we were told to avoid other people. Supposedly they might kill us! Or at least give us the virus. Don't do that, we were told. Stay at home. A vaccine is on the way. Ok, but it's not a medical comment to say that the people are the marketplace, and historically the marketplace has medicated itself by seeking infection with health top of mind.

Not this time. You see, government once again threw billions at pharmaceutical firms. In doing so, it made it possible for them to produce a vaccine in gargantuan fashion, and without regard to inventory and other limits that pharmaceutical firms normally face when government isn't the buyer. Which meant that as opposed to vaccinating a smaller number of individuals found to be most vulnerable, most flush with cash, or both, government gave us a one-size-fits-all central plan. And was cheered for doing so, because central plans have historically worked well?

Oh well, the marketplace that is the people will ultimately decide the good or bad of Operation Warp Speed. The bet here is that when reasonable people write histories of the coronavirus and the political response it engendered, the picture drawn of the modernly-cheered Operation will grow more and more critical with each analysis.