



## The Economic Impact of America's Failure to Contain the Coronavirus Vice Chair Don Beyer -- Prepared Remarks

Today's hearing will be unlike almost every hearing ever held by the U.S. Congress Joint Economic Committee.

Most often, our hearings explore economic issues. Today, we will focus on public health.

When the explosion of coronavirus cases in March caused massive unemployment in April, JEC Democrats reached out to some of the most prominent economists and public health experts in the country.

Two Nobel-prize laureates, two winners of the John Bates Clark medal, five former Chairs of the President's Council of Economic Advisers and three former Presidents of the National Economic Association—over two dozen in all.

Every one of them conveyed the same urgent message—the top priority for healing our crippled economy is to contain the coronavirus.

Economist Austan Goolsbee, here with us today, has put it this way: “the number one rule of virus economics is that you have to stop the virus before you can do anything about economics.”

### *Cases and deaths*

And yet, tragically, we have failed to control the coronavirus.

200,000 Americans are dead—more than in World War I, the Korean War and Vietnam combined.

The United States has only 4% of the world's population but approximately 21% of worldwide deaths.

There have been almost 7 million confirmed cases of COVID-19 in the United States—this likely is a severe undercount.

And the number of cases continues to explode, with about 40,000 new positive tests a day.

### *The economy has been hit hard*

As a result of this crisis, our economy has suffered a severe blow.

There are nearly 12 million fewer jobs today than in February.

The official unemployment rate is 8.4%—almost two and a half times what it was in February.

Federal Reserve Chairman Jerome Powell says that the actual rate could be 3% higher due to problems with misclassifying workers and differentiating those who have left the labor force from the unemployed.

3.4 million U.S. workers are now permanently unemployed—and the number is rising.

Almost 30 million depend on an unemployment check to survive.

### *The President is the problem*

200,000 deaths, economic devastation, a contagion still out of control.

Tragically, no one person in our country is more responsible than the person who should be leading the fight to contain the coronavirus.

The President of the United States.

### *The President's lies cause preventable deaths*

President Trump's record on the coronavirus is a stunning mix of incompetence, ignorance and callous disregard for human life.

He lied to Americans, telling them that the virus was a “Democratic hoax” and that it would “magically disappear.”

At the same time, he privately admitted to Bob Woodward that the coronavirus was five times as deadly as serious strains of the flu—“deadly stuff.”

### *The President refused to take action quickly*

The President should have used the early weeks of the crisis to test for and trace the virus, purchase PPE and ventilators, and to educate the public about the steps all Americans should take to protect themselves and others.

However, it took more than seven weeks after the first confirmed case in the United States for him to declare a national emergency.

If America had moved a week or two sooner to implement social distancing measures, it would have saved tens of thousands of lives, according to research from Columbia University.

### *Trump ignores public health experts*

The President ignored the advice of public health experts. He said that he knew more about public health than they did.

He mocked people who wore masks and he refused to wear one, despite the fact that masks can play an important role in slowing the spread of the virus.

He endangered people's lives by promoting the use of hydroxychloroquine, which has been shown by scientists to have no impact on treating COVID and carries substantial risks.

He recommended injecting disinfectant to fight the virus—and sadly, some Americans did.

He claimed that children are “almost immune.”

In every case, the President was wrong—dead wrong.

### *Trump pushed aggressively for premature reopening*

Public health officials argued that reopening prematurely would lead to a second wave of infections and deaths.

But the President ignored them. He said in March that “we cannot let the cure be worse than the problem itself.”

He goaded governors to reopen the economy.

He told Americans that public health measures were tyranny: he said to “liberate Michigan” while supporters demonstrated (with guns) at state capitals.

And he held large political rallies, defying experts, who warned that these could become super-spreading events.

As a result of these reckless and callous actions, coronavirus cases spiked and people died.

The number of new infections on Labor Day were double what they were on Memorial Day. 40,000 new cases per day.

### *The President's gamble*

The President's insistence on prematurely reopening the economy had a self-serving purpose—to make the economy look stronger in the months leading to Election Day.

As *Washington Post* columnist Catherine Rampell pointed out back in April, it was a big gamble—a gamble with American lives. A gamble with the U.S. economy.

The gamble already has resulted in more cases and more deaths, but in the short term it made the economy look better.

Between May and August, the economy regained about half of the jobs lost.

The unemployment rate dropped from almost 15% to 8.4%—still about 2.5 times higher than in February.

The President is betting that the next jobs numbers, when they are released next Friday, will continue to show marginal improvement....

.... And that the cost of reopening too soon won't be obvious until after the election.

While we don't know what the numbers will reveal, one thing is certain: the true impact of the President's gamble won't be evident until it's too late.

### *Trump's economic legacy*

Donald Trump holds the vast power of the U.S. Presidency—but he has refused to use it.

He has not contained the coronavirus, but has unleashed it.

As a result, many more lives will be lost.

And in the long term, the economy will suffer.

The President's failure to make even the most meager effort to contain the coronavirus is his economic legacy.

I look forward to the testimony of our witnesses.