

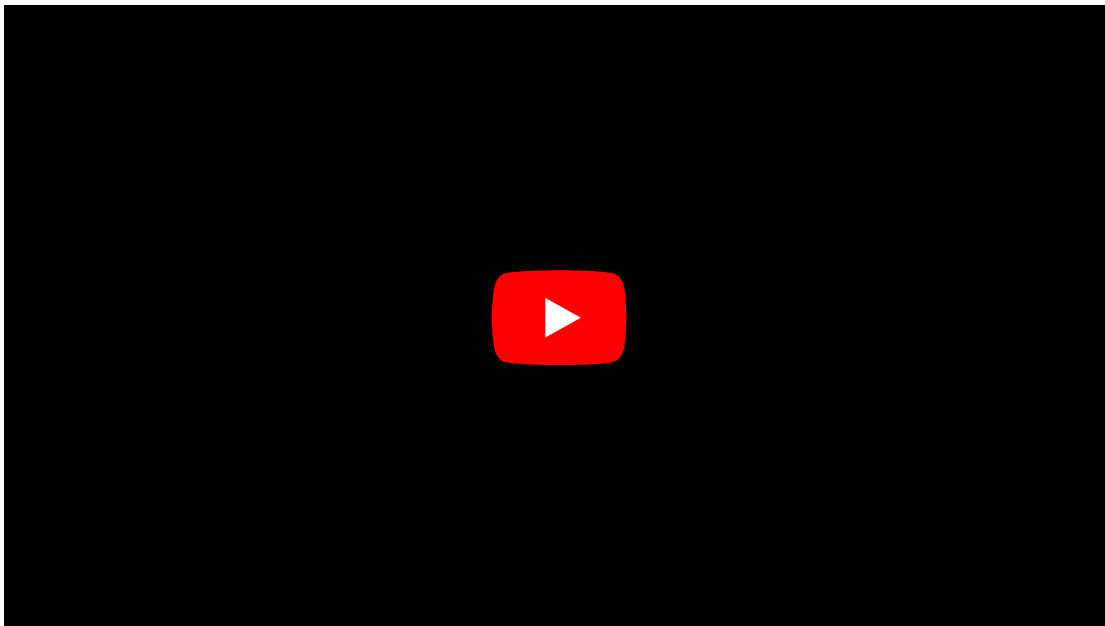
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Bullard Gives Remarks on COVID-19 and the U.S. Economy

April 17, 2020



St. Louis Fed President James Bullard discussed the impact of the shutdown policy on the U.S. economy as well as a way to end the crisis caused by the coronavirus pandemic. He spoke at a webinar, "The World Economy Transformed: Reflections on Policy Responses and the Future Post Pandemic Monetary Architecture." The Chamber of Digital Commerce, Reinventing Bretton Woods Committee, and Accenture hosted the event.

Bullard said that he thinks the main economic impact will occur in the second quarter of 2020, which he has suggested calling a "pandemic adjustment period." He said that "the numbers coming out of the second quarter will be not comparable to anything we've seen in U.S. macroeconomic history." Comparing the time with other periods in the past is misleading "in thinking about how the economy might be able to behave going forward," he said.

Bullard also suggested that this is a time when economists have to come up with solutions

that will end this crisis and put the U.S. and global economy back on firm footing.

To that end, he talked about the importance of ramping up testing for the virus. He proposed using some of the dollars being spent on the crisis to pay the costs of production of tests for any entity that wants to produce them. The tests would be sold on an open competitive market. This would create a pop-up industry and lead to a glut of tests, Bullard noted.

"The reason I like this is because it doesn't count on a miracle happening," he said. "It counts on existing technology, but it's all about trying to scale up that technology and create a gold rush in the production of tests—not just in the U.S. but globally—and that would end the crisis."

Bullard also discussed the Federal Reserve's response and the fiscal response to the pandemic. During a Q&A, he addressed questions on digital currency and other topics.

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