

1814

Nominal beginning of the **Bourbon Restoration**; anniversary date that Napoleon abdicates and is exiled to Elba.

1830

**Church of Christ**, the original church of the Latter Day Saint movement, is organized by Joseph Smith and others at either Fayette or Manchester, New York.

1841

U.S. President **John Tyler** is sworn in, two days after having become President upon William Henry Harrison's death.



1860

The Reorganized **Church of Jesus Christ** of Latter Day Saints, later renamed Community of Christ, is organized by Joseph Smith III and others at Amboy, Illinois.



Quirinale palace in Rome to mark those lost to coronavirus.

Some advocate "corona bonds," guaranteed jointly and severally by all European countries. This would be particularly important for Italy, which has been ravaged by COVID-19. The country is already highly indebted, and some economists expect its debt-to-GDP ratio to reach 150 percent. Germany, the Netherlands, Austria and Finland are opposed, because they fear they would be on the hook indefinitely for other countries' debt. The northern

## COVID-19 War

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during the Great Depression. Greater intervention by the public sector is justified by the emergency for as long as exceptional circumstances persist, but must be provided in a transparent manner and with clear sunset clauses.

Policies in support of households, businesses, and the financial sector will involve a mix of liquidity measures (provision of credit, postponement of financial obligations) and solvency measures (transfers of real resources; see table).

Several tradeoffs will need to be managed. If transfers or subsidized loans are given to a large corporation, they should be conditional on pre-

serving jobs and limiting CEO compensation, dividends, and stock repurchases. Bankruptcy would ensure that equity holders share some of the costs, but would also cause significant economic dislocation. An intermediate option is for the government to take an equity stake in the firm. When liquidity is the problem, credit by the central bank (through asset purchase programs) or other government controlled financial intermediaries (through loans and guarantees) has proven effective in previous crises. Many practical questions arise also in identifying and supporting hard-hit small- and medium-sized enterprises or self-employed individuals. For these, direct transfers based on past tax payments should be considered.

These domestic policies need to be supported by maintaining international trade and cooperation, which are essential to defeating the pandemic and maximizing the chances of a quick recovery. Limiting the movement of people is necessary for containment. But countries must resist the instinct of shutting down trade, especially for health-care items and the free exchange of scientific information.

**This pandemic may be the making or unmaking of the EU. If the 27 member states cannot stand together in the face of such adversity, they risk becoming no more than a fair-weather union.**

states prefer the European Stability Mechanism, which has a debt capacity of 410 billion euros and allows countries to borrow on their books. Germany and the Netherlands have proposed an aid package of up to 20 billion euros, which would be a drop in the ocean. French finance minister Bruno Le Maire suggested a rescue bond of limited duration, 5 to 10 years, and wants urgent action: "We should not be obsessed by the word 'corona bonds' or eurobonds. We should be obsessed by the necessity of having a very strong instrument to provide us with economic recovery after the crisis."

This pandemic may be the making or unmaking of the EU. If the 27 member states cannot stand together in the face of such adversity, they risk becoming no more than a fair-weather union. As Portugal's finance minister Mario Centeno put it: "The way Europe deals with the financial strains left behind by the virus will determine the shape and the extent of the recovery, and, ultimately, the cohesion of the euro area."

European Commission president Ursula von der Leyen hit the German TV stations on Friday night vouching for European solidarity. Some may struggle to take her fine words at face value.

### FROM SHELTER-IN-PLACE TO RECOVERY

Promoting the recovery will have its own challenges, including higher levels of public debt and possibly new swaths of the economy under government control. But relative success in Phase 1 will ensure that economic policy can go back to its normal operation. Fiscal measures to boost demand will become increasingly effective as more people are allowed to leave their homes and go back to work.

Interest rates and inflation were projected to be low-for-long prior to the pandemic in most advanced economies. Preventing major disruptions in supply chains should avoid inflation during the emergency and recovery phases. If the measures to contain the spread of the virus are successful, the necessary increase in the public debt ratio will have been sizable, but interest rates and aggregate demand are likely to remain low in the recovery phase. Under those circumstances, fiscal stimulus will be appropriate and highly effective in most advanced economies. And this will facilitate exit from the exceptional measures introduced during the crisis.



TOP  
4  
TWEETS

01



Defense Secretary Esper says firing the Navy captain who raised alarms about coronavirus on his aircraft carrier was "a tough decision" but he supports it. Citing an ongoing investigation, Esper won't say if he agrees w/ Trump it was "terrible" Captain Crozier wrote a letter.

@kaitlancollins

02



In the UK another 621 people have died of #coronavirus the total death toll is now 4,934. This morning the government warned that people could be stopped from leaving their homes for exercise if too many flout existing rules that some still seem to be ignoring.

@kaiarouzi

03



The U.S. had a program - PREDICT - that identified lethal viruses abroad to prevent their spread to the U.S.. It had found 1,200 viruses (and 160 coronaviruses) in 10 years. It was actively working in China. 6 months before the Wuhan outbreak, Trump shut the program down.

@ChrisMurphyCT

04



The media, "experts," and Democrats are trying to make it impossible for the president to even consider rational options for opening parts of the economy. And, of course, some of these governors won't reconsider their decisions in some areas, either.

@marklevinshow

Disclaimer: (Views expressed by columnists are personal and need not necessarily reflect our editorial stances)

## Joining forces to save civil aviation



CAPT. MAHMOOD AL MAHMOOD

Desolate airports around the world bear testimony to the cruel impact of the COVID-19 pandemic on civil aviation – both passenger and cargo services. The International Air Transport Association (IATA) announced global passenger traffic data for February 2020 showing that demand (measured in total revenue passenger kilometers or RPKs) fell 14.1% compared to February 2019. This was the steepest decline in traffic since 9.11 and reflected collapsing domestic travel in China and sharply falling international demand to/from and within the Asia-Pacific region, owing to the spreading COVID-19 virus and government-imposed travel restrictions.

The aviation industry is the thread that stitches the globe together. Without the global connectivity provided by aviation, sustaining global supply chains, as well as developing country industries such as perishable horticulture and tourism would be impossible. It is therefore imperative that governments start examining action plans to create rescue packages for their national carriers in particular and for the aviation industry in general.

**Around the world, the busiest airports are seeing hundreds of aircraft parked idly in hangars and runways with no where to go.**

Otherwise, we risk causing irrecoverable damage to international connectivity. By value, 35 % of international trade flown by air, 57 % of international tourists travel by air and each airline job contributes to 24 more in the wider economy.

Around the world, the busiest airports are seeing hundreds of aircraft parked idly in hangars and runways with nowhere to go. Even as passengers protest that issuing travel vouchers in lieu of refunds for unused tickets is unfair, an IATA analysis shows that airlines may burn through \$61 billion of their cash reserves during the second quarter ending 30 June 2020.

In Bahrain, the COVID-19 crisis is sure to impact the timeline and progress of our local aviation industry, whether in the form of delay in opening the new airport or in the bottom line of our national carrier, Gulf Air. As passengers, we are, of course, very patriotic and I am sure many of us will try to fly Gulf Air for our travels, once the pandemic ebbs.

But I appeal to the other stakeholders, be it Bahrain International Airport or Gulf Air to also make an immense effort to woo passengers with the four things that travellers value the most: punctuality, a widespread network, a welcoming service on ground and in the air as well as good fares that make economic sense. All of these will help us join hands and overcome aviation's darkest hour when the sun shines again.

(Captain Mahmood Al Mahmood is the Editor-in-Chief of The Daily Tribune and the President of the Arab-African Unity Organisation for Relief, Human Rights and Counterterrorism)