

The choice now is deaths or deficit, and the Treasury i...

Published: January 16, 2026, 6:18 am

I cannot be alone in being furious about the story in the [Guardian](#) this morning about funding for the NHS. As they report:

NHS bosses have accused the chancellor, Rishi Sunak, of breaking a pledge to give the health service "whatever it needs" after he refused to provide a £10bn cash injection needed to avoid it being crippled by a second wave of the coronavirus.

They add:

They have warned ministers that without the money the [NHS](#) will be left perilously unprepared for next winter and the second spike in infections which doctors believe is inevitable. Nor will they be able to restart non-Covid services or treat the growing backlog in patients needing surgery.

And they note:

The NHS England chief executive, Simon Stevens, has told the Treasury that it needs at least £10bn in extra funding this year to cover the costs of fighting the virus and reopen normal services. The money would mean the NHS could create extra beds in hospitals, keep the Nightingale facilities on standby, send patients to private hospitals for surgery and provide protective equipment for frontline staff.

You get the feeling by now. What we have is the Treasury saying that we cannot afford another £10 billion for the NHS. And what the NHS is saying is that without this £10 billion then, to be blunt, a great many people are going to die, whether of COVID-19, or other causes. In addition, there will be a lot of unnecessary suffering.

It is important to put this in context. During the current year the government expects to have a deficit of £300 billion. At the same time, and by no coincidence, the Bank of England is going to undertake £300 billion of quantitative easing. What that means is that the Bank of England is going to buy every single penny of government debt issued this year to fund that deficit. The result is that the UK national debt will not increase by one penny as a result of the coronavirus crisis. But, despite this fact (for fact it is) the

Treasury wants to deny the NHS the funding that it requires to meet the health care needs of this country.

To be blunt, the Treasury is saying that there is a choice. That choice is between deaths and deficits. And it is saying that the choice has to be more deaths, and less deficit. That is the consequence of having the Treasury committed to economic thinking that suggests that the government is like a household and that when deficits increase spending must be cut. This argument is the surest sign that the logic of austerity is still alive and well and living in Westminster.

But that logic is wrong. What modern monetary theory (MMT) says is that so long as there is unemployment in an economy then the government can run a deficit to meet all the demand for public services without there being any risk of inflation. We face the likelihood of up to 6,000,000 people being unemployed in the UK right now. And that means there is almost no chance of inflation and that every job we can get is valuable, including those that will be paid for by the extra £10 billion that the NHS needs. Funding those jobs is costless: it is simply a matter of increasing the amount of money in the economy, by upping the loan account balance between the government and the Bank of England, which is itself owned by the government.

What we are facing, then, is an occasion when the economics you believe in is not just about a minor theoretical spat between conflicting academics. It's actually about life and death, and the deaths in question may well be those of people that you know.

We can afford to prevent those deaths.

We can put doctors and nurses to work.

We can have the resources required to beat the second coronavirus outbreak.

We can treat all the people whose conditions have gone on attended over the last few months.

The money to do this, which will be of advantage to us all, can be created simply at the choice of the government. But, the Treasury does not want to do that. As a result it is, quite literally, condemning some to death, others to suffering, and more to agony.

Quite literally none of those deaths, any of that suffering, nor a moment of excess agony is required for want of money at present: we can have all the money that we need and the economy will not suffer as a result. But people will die unless we create the money that is required.

The choice now is deaths or deficit, and the Treasury is choosing deaths.