

What Labour should be saying when challenged on the cos...

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I have noted that Labour politicians are being asked the question, time after time, 'Have you costed the circuit breaker?'

The question does, of course, refer to Keir Starmer's advocacy of a two to three-week lockdown to break coronavirus transmission rates. This is seen as an inevitability now, but the government has ducked it, so far. Labour has taken the opportunity to show a first real sign of leadership by Keir Starmer. And then that question comes in.

So let me answer the question in the only way that I could, if it was asked with me. My response would be that of course I have not, because it would be impossible to do so. The complexities are beyond anyone. But the judgement about whether this policy remains relevant, and whether the cost that it will result in is worthwhile, is one that can still be made. That is possible because the alternative can also be appraised. And, in this case, it is very clear that the alternative is to lay, followed by many more deaths, followed by NHS chaos, followed by what, in all likelihood, would be a much longer lockdown, resulting in increased cost. As a consequence, if cost is the issue, although it cannot be precisely appraised, it is possible to work out that a lockdown now is the best possible option.

I do wish that a Labour politician would say this, patiently, and clearly, looking straight into a camera. The claim that lack of precision in costing invalidates a decision has to be rebutted.

There is, though, more to this than that. What has to also be said is that sometimes there are things that have to be done, irrespective of cost. We as a society have to maintain the safety of those we live with, and that means protecting the NHS. That may well be overwhelming. That it is under-resourced is an issue to discuss, but maybe on another day. What matters now is that people are cared for, including those people who work for the NHS, who are also vulnerable, which far too many people forget.

And a wise politician would then also point out that this question does also make no sense when, so far this year, taxpayers have not been asked to make any additional

contribution to the cost the government has incurred to tackle coronavirus. Nor, come to that, will they ever be asked for that contribution with regard to this year. And that is because, so far this year, the entire cost of the coronavirus crisis has been covered by quantitative easing (QE). In other words, newly created money has been used to pay for the cost of the coronavirus crisis. This money creation will never be reversed. The net consequence of it is that our banks and building societies are significantly more solvent than they might otherwise be, and that is a good thing in the face of a potential financial crisis. And, importantly, if this money had not been created by the government in this, or another way (and there are other ways, which may be better) then we would have faced a substantial shortfall in the cash circulating in the economy because people and companies have, quite reasonably, been saving during the course of the crisis, and that would have meant that there was a much worse economic crisis to come than there might otherwise be.

What is more, given that this situation will continue, it's quite reasonable to think that more QE will be undertaken and as a consequence whatever the cost of this lockdown might be it is very likely that it too will be covered by new money creation in due course and the cost is, then, covered by the government itself.

Do I expect to hear that explanation? I am afraid not. But I wish I did.