

Labour really has to understand that hypothecated taxes...

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The [Guardian reports this morning that](#):

Jeremy Corbyn is to propose a tax on big technology firms such as Facebook, Google and Netflix, to subsidise the BBC licence fee as part of a sweeping range of measures to reform the British media industry.

Here we go again: another crass suggestion of a hypothecated tax from Labour. I have written extensively in the past about [why hypothecated taxes are not the answer for the NHS](#). Now we have another such proposal, for another populist cause. And it is just as bad.

That's firstly because it's time Labour learned tax pays for nothing. Tax recovers the money - the public money that the government alone can create - that the government spends into existence. Subscription to the narrative implicit in Labour's argument that nothing can be done by government unless tax is raised first is to subscribe to the entirely neoliberal line that there is only 'taxpayer's money' and that then what government can do is entirely down to the ability of the private sector, and it's tax payments. Since that destroys the entire logic of Labour this line of reasoning is a wholly self-destructive logic for it to follow.

Secondly it's because this logic makes BBC funding entirely dependent on a bad thing happening. And what is the sense in that? Tax bads, by all means. That is a wholly appropriate use for tax. It is a market correction. But whatever you do don't make good things dependent upon perpetuation of the bad. That's just crazy.

But Labour seems not to have noticed.