

# ot understanding money and government finances should .

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Rafael Behr has a comment piece in [The Guardian this morning](#) under the title:

### **At the heart of this NHS cash boost lies a dishonesty: tax**

His argument is:

*In [her speech](#) on Monday, May boasted that the new plan involved “no increase to people’s taxes”. That should set alarm bells ringing. In no other field do leaders get to conjure multibillion-pound investments from thin air. But British politics is steeped in the fiction that good things happen by magic.*

So The Guardian is employing a commentator who does not understand that governments have to spend before they can tax, or the money to be taxed does not exist.

And who does not understand as a result that the spending pays for the tax.

Or that there is such a thing as a fiscal multiplier, and that it is very large in the case of the NHS, meaning that this spend may well recover more tax than it costs.

Let alone that governments may quite legitimately run deficits if they so wish.

And that they need to do so as a matter of fact to create the money that the economy requires.

Whilst apparently being unaware that the government and the rest of the economy are fundamentally different precisely because the government can create fiat money, at will. It is, after all, just a government promise to pay.

All of which is really rather worrying.

And should be a disqualification from commenting on economics. But apparently isn't.