

Funding the Future

William Beveridge knew that modern monetary theory was.

Published: January 12, 2026, 10:14 pm

This paragraph is in [William Beveridge's 1944 report](#) on full employment, admittedly from the 1960 edition:

and making munitions. The national budget in war becomes, in a phrase used by Mr. Ernest Bevin, a "human budget." The second thesis, as to the fundamental difference between State outlay, and private outlay, may appear to some a paradox, but is nearer to a truism. **There is no financial limit to spending by the State within its own borders, as there is a financial limit, set by their resources and their credit, to spending by private citizens.** This does not mean that the methods of war finance are unimportant; the choice of methods between taxation and borrowing, or between different methods of taxation may affect profoundly the distribution of income between different citizens and may thus affect both their capacity and their willingness to render service, alike in war and in the following peace. **But, whatever the methods, the money for outlay up to the limits set by manpower can always be found by the State in war and is found in practice.**

I have highlighted key sentences, but those in between are fairly key too. This is modern monetary theory, written in 1944.

The references to the financing of the war clearly references Keynes' work on that issue, without saying so - and it is right.

However, the fact that the other paragraphs so clearly put forward the straightforward view that government is not a household and that the money for full employment can always be found by any government that has an economy not enjoying it is vital.

I suggest that Labour should take note.

The SNP should too.

Great work by [Malcolm Reavell in Modern Money Scotland](#) to find this.