

# Funding the Future

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On Wednesday I [noted the speech that Sajid Javid had made](#) on the future of the NHS in England.

In that speech he said:

*As someone once said: 'There is no such thing as public money, there is only taxpayers' money.'*

He was, of course referring to Thatcher.

In response, Andrew, who is a regular commentator on this blog, [said this](#):

*Here is the whole quote, from [Margaret Thatcher's speech to Conservative Party Conference in 1983](#):*

"Let us never forget this fundamental truth: the State has no source of money other than money which people earn themselves. If the State wishes to spend more it can do so only by borrowing your savings or by taxing you more. It is no good thinking that someone else will pay—that "someone else" is you. There is no such thing as public money; there is only taxpayers' money."

But that paragraph above gets the economics entirely back to front. Perhaps we can try something better:

"Let us never forget this fundamental truth: there is no source of money other than the State. If our State with its own currency wishes to spend more, it can do so simply by creating the money. There may be good reason to tax some of that new money back, but the State's resources are not limited to taking money from its citizens: it literally prints the money. There is no such thing taxpayers' money: it is all public money."

Ultimately, it is all about priorities and distribution. The rest is bunk.

That is something I wish I had written. It is correct. It is a perfect retort. It is the essence of the thinking on which our economics should be based.