

There is no such thing as taxpayers' money

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Politicians love to talk about “taxpayers’ money” - but that’s a myth. In this video, I explain why your taxes do not fund government spending, how government money is actually created, and why the taxpayer’s money myth exists to serve an agenda of austerity. It’s time we talked about what money really is - and what tax really does.

<https://www.youtube.com/watch?v= mqSBiLfcNS4?si=IKCeL6tzafUsm6y5>

This is the transcript:

There is no such thing as taxpayers' money.

I know politicians love to talk about it as if every time they spend a single pound of government money, which is what there really is, they were spending your money, but they don't, and there are two reasons for that.

First of all, the government creates every single pound it spends by telling the Bank of England to literally mark it up on its overdraft. And every time the government issues an instruction to the Bank of England to pay somebody - and they do before, for example, your old age pension arrives in your bank account, or if you are a doctor or nurse, your salary turns up in your account, or whatever else it might be they spend - every time they do that, the money is created for the government by the Bank of England.

It is never, ever funded by a taxpayer. That is technically impossible.

But that doesn't mean to say there isn't a role for tax; there is.

Tax is used to ensure that the money that the government creates is reclaimed by it and then cancelled, because otherwise we would have inflation, and nobody wants too much of that.

So why do they talk about taxpayers' money?

That's because they want to create a myth.

They want you to believe that they are spending your money because you would say, "Please don't spend too much of it", and they're doing that to justify their programmes of austerity.

For the last 25 years or so, and most definitely in the last 15 years, every single person who's been in the Treasury has been there because they hate government.

They hate government spending.

They hate what the government can do for you.

They hate the NHS.

They hate education.

They hate the fact that you are claiming a pension.

They hate people who claim benefits.

They hate the fact that they have to spend to support the armed services, and everything else, because they hate government, and the way they can shrink the government is by saying they're spending your money.

But the truth is they're not. They're not because they made all that money.

And the truth is that even when they demand money from you, what they're demanding back is the money that they spent into the economy in the first place. Because remember, if they hadn't spent money into the economy, there would be no money available to you to make payment to them to settle the tax bill that they raise.

So what they're asking for is their money back. And they're doing it under a form of contract, and when you pay somebody to whom you owe money, the money is no longer yours; it's theirs. And so for that second reason, the government also does not spend taxpayers' money.

So, the claim that there's such a thing as taxpayers' money is a total myth. It's being said to simply argue for the fact that the government shouldn't have money for public purposes when that is what it should be creating to benefit us all.