

## What's wrong with Gary Stevenson's latest video

<https://www.taxresearch.org.uk/Blog/2025/08/07/whats-wrong-with-gary-stevensons-latest-video/>

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Gary Stevenson [posted a video on Tuesday](#) that suggests he and I exist on different economic planets.

In summary:

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Gary appears to believe in the household analogy. In other words, he thinks the government is a microeconomic entity subject to the whims of the market and is not the macroeconomic controller of the economy, establishing the rules within which markets work. This is a fundamentally neoliberal economic framework for analysis.

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Gary thinks the UK government has progressively sold off all its wealth and lost its investment income. There is no doubt that it has sold assets, but the definition of wealth that he is using is purely financial and would appear to be entirely unrelated to underlying productive assets. In that context, his claim makes no sense. Whilst it is true that UK GDP-to-debt ratios are now around 100%, presuming that debt is stated gross of Bank of England holdings (which is totally misleading) and GDP is correctly stated (which is open to doubt), this only puts us back in the position we were in during the 1960s. For much of the rest of the 20th century, debt ratios were very much higher, and so his claim that the UK is now in a new and previously unknown situation is entirely untrue.

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Gary claims that the UK government has run down its wealth deliberately. If he is referring to privatisation, that is correct, but that does not appear to be the case. What he appears to be saying is that the UK has increased its debt deliberately, apparently implying that the government should not have intervened in 2008 to save the economy from collapse, and likewise should not have intervened in 2020 to do the same again. In this case, his claim would appear to be without any substance, and it is certainly

incomprehensible.

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Gary appears to think that the government should balance its books, and there is absolutely no requirement for it to do so. In fact, unless he wants to destroy the UK money supply and so destroy any chance of economic growth, it should not do so.

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Gary also makes no reference to the fact that taxes might have any role other than funding government spending. Apart from redistribution from the ultra-wealthy, there is no reference to taxes' role in this regard, or to how important it is that those with very little be supported. In addition, there is no reference to the role of tax in correcting market failure, or to its role in industrial policy, social policy, and even in international relations. Nor is its function with regard to inflation mentioned. He also makes no reference to the multiplier effects or to the changes that can be created in them as a consequence of redistribution, therefore ignoring the fact that the government can actually change the size of the economy, which he instead appears to treat as an exogenous variable in what he has to say. All of this is very hard to understand.

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To justify these suggestions, I will do two things. In the rest of this post, I produce a summary of what Gary said, created by ChatGPT based on the transcript of his video. Then, in a subsequent video, I will analyse this in more depth, which I think is necessary.

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## Video summary

Gary begins by explaining that he had intended to focus on wealth taxes this week—but a series of developments in Westminster have made him switch topics. Through meetings with UK policymakers and think tanks, he's come to believe the **October 2025 UK budget** will mark a turning point—not just for the UK, but for governments across the Western world.

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## Core Thesis:

The UK government and others are approaching **financial exhaustion**. Because they refuse to tax the rich, and because previous fiscal options have been used up, they are preparing to **raise taxes on the middle class**, despite promising not to.

This marks a **new phase in a long-running class war**, and unless the middle-class sides with the working class now, they too will be economically sacrificed.

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## **Part 1: Governments have exhausted their wealth**

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Using the metaphor of a wealthy individual, Gary explains how governments once had both **passive income** (from assets like public companies and council housing) and **active income** (taxation).

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Since the 1980s, governments have chosen to **overspend**—financing services not by raising taxes on the rich, but by **selling public assets** and **borrowing**.

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This has led to a **steady depletion of public wealth**, particularly after the 2008 crisis and Covid. Governments are now, effectively, **in debt**, with **no assets left to sell**.

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Like a person who's burned through their savings and maxed out their credit cards, governments are now under pressure from creditors—i.e., the rich—to **balance the books**.

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## **Part 2: The four remaining fiscal choices**

With public wealth depleted and borrowing capacity constrained, governments face four stark options:

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### **Tax the rich**

- This is Gary's preferred option: the ultra-wealthy now hold the assets once owned by the state and the working class.
- But governments are ideologically and politically reluctant to pursue this route.

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## **Tax the poor**

- Not viable. The poor have no assets or disposable income left to tax.
- “You can’t tax an empty bucket.”

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## **Cut the welfare state further**

- The UK already endured 14 years of austerity. There is little left to cut.
- Labour recently tried to reduce disability spending, but even their own MPs resisted.
- For the UK, this door is now effectively shut.

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## **Tax the middle class**

- The only remaining option governments seem willing to take.
- In UK terms, this means higher earners and modest asset holders—not the 1%, but the top 20%.
- These are people who ***still*** have something left to lose, and the government knows it.

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## **Part 3: Why this is class war**

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This is not just fiscal policy—it’s ***class warfare***.

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For decades, the rich have used their control over media and politics to frame debates in ways that protect their wealth.

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Now, with the poor already drained and the government itself hollowed out, the rich are turning on the middle class, ***who are next in line*** to lose assets, security, and political power.

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#### **Part 4: The media will lie about what's happening**

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Expect billionaire-owned media to frame the upcoming tax hikes as “fair” or “necessary.”

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They will **pit the middle class against the poor**, saying “someone has to pay.”

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This narrative hides the truth: the rich could easily afford to pay but refuse to, and governments are choosing to let them off the hook.

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#### **Part 5: A message to the middle class**

Gary issues a stark warning and a plea:

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**You are next.**

The poor have already been crushed. The state has been asset-stripped. You are now the only group left with meaningful wealth—and the government plans to take it.

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**You face a choice:**

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Side with the rich, in hopes they protect you (they won’t).

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Or side with the working class, and demand fair taxation of extreme wealth.

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**Don’t be fooled** by the idea that your interests align with billionaires.

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If you are a professional, a civil servant, a journalist, a doctor, or even a well-paid employee—you are **not** the rich.

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The rich are those who **own** everything—land, capital, media—not those who merely **work** for a high salary.

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### ***Conclusion: Tax wealth, not work***

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Gary reaffirms his message: this is about protecting **both** the working class and the middle class.

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Taxing the rich isn't radical—it's survival.

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If we don't act now, the middle class will lose their homes, their savings, their children's futures—just as the working class already has.

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### **Final Call:**

*"October 2025 will be another step in a class war the rich are winning. If the middle class does not join the working class to demand wealth taxes, they will be the next to be eaten."*

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