Funding the Future

Debate Ammunition: The MMT Source Book

Published: June 19, 2026, 6:13 am

The Richard J Murphy YouTube Channel

Debate Ammunition

The MMT Source Book

Funding the Future | June 2026

Today’s topic

Why you need the MMT Source Book.

The video that this Debate Ammunition supports **is available here.**

The MMT Source Book is available here.

The Core Argument

Richard Murphy has produced a free, fully searchable MMT Source Book of more than 400 pages, covering around 100 sections, all on Modern Monetary Theory.

The significance of this is that the public is consistently misled about how government money actually works. The book exists precisely because the conventional story, that tax and borrowing fund government spending, is false, and because almost nobody, including most politicians and journalists, understands the alternative.

Anyone who wants to argue about government spending, tax, debt, or interest rates needs to know what is in this book, because it answers the objections before they are even raised.

The Argument Structure

Step 1 — There is a free, searchable answer to almost every question on government money: The MMT Source Book brings together around a decade of Richard Murphy's writing on Modern Monetary Theory into a single PDF of more than 400 pages, organised into around 100 sections with a working interactive index and live links. **It is free to download, with no obligation to donate.**

Step 2 — It exists because the conventional story about government finance is false: We are told that tax funds the government, that borrowing funds the government, that government must be smaller, and that higher interest rates stop inflation. MMT challenges every one of these claims, and the Source Book sets out, in detail, why they are wrong.

Step 3 — It explains how government spending and taxation actually work: The book explains that the government creates money when it spends, authorised by Parliament and carried out by the Bank of England under powers that have existed since 1866, and that tax then removes money from circulation to control inflation rather than to fund spending. Tax also redistributes income and wealth, tackles market failure, and can be used to encourage beneficial activity.

Step 4 — It answers the standard objections directly: The Source Book deals head on with the questions usually thrown at MMT: what if financial markets object, what if the foreign exchange market reacts badly, what if investors lose confidence. It shows these fears rest on a false understanding of the economy, and that growth has never put off an investor.

Their Argument → Your Rebuttal

They Say Your Response

This is just one person's blog posts bundled together; it has no authority compared with mainstream economics textbooks. It is more than 400 pages drawing on around a decade of detailed analysis, fully indexed and searchable, with live links back to the original sources and arguments. Nobody is asked to take it on faith; every claim can be checked against its source. Compare that with how rarely mainstream commentary on government finance bothers to show its working at all.

If MMT were right, surely the Treasury, the Bank of England, and every economics department would already teach it this way. Institutions are slow to abandon convenient stories, especially when those stories justify austerity and constrain political choice. The Source Book does not ask anyone to take Richard Murphy's word for it; it sets out the legal and operational mechanics, including the 1866 authority under which the Bank of England settles government payments, so readers can judge for themselves.

If government spending just creates money, what stops runaway inflation, Zimbabwe or Weimar Germany style? The Source Book addresses this directly: the constraint is real resources, not money. Spending that draws on unused labour and capacity does not cause inflation; spending that exceeds what the economy can produce does, and that is the signal to stop and reassess. This is explained in detail, not asserted.

Markets would panic, the pound would fall, and investors would lose confidence if government adopted this thinking. The book tackles this objection explicitly and shows it rests on a false understanding of how the economy works. No investor has ever been put off by growth, and the questions about market reaction, exchange rates, and investor confidence are answered directly inside the Source Book rather than brushed aside.

The One-Liner

"There is now a free, fully searchable, 400 page guide that explains exactly why tax does not fund government spending and why almost everything you have been told about the public finances is wrong; if you are going to argue about this, read it first."

Further Reading

Post Date What it covers

***Out today: The MMT Sourcebook* May 2026 Announcement and description of the MMT Source Book, explaining its structure, scope, and purpose as a searchable reference PDF.**

***Richard Murphy's View on Modern Monetary Theory* May 2026 A comprehensive statement of Richard Murphy's own MMT position, covering money creation, the role of tax, and the limits of government spending.**

***Modern monetary theory isn't "just theory": it describes how the UK really works* February 2026 Argues that MMT is not a theoretical abstraction but an accurate account of existing UK monetary and fiscal operations.**

The government still insists tax funds government spending – and it doesn't

July 2025 Challenges the official narrative on tax and spending, explaining in detail how government payments are made through Bank of England money creation.

Where does the money go when the government spends — and when it taxes? October 2025 A step-by-step account of the accounting flows behind government spending and taxation, showing why tax withdraws purchasing power rather than funding expenditure.

Why MMT won't crash the pound or the bond market August 2025 Directly addresses the most common objection to MMT: that it would trigger currency collapse or a bond market crisis.

The UK government can never go bust April 2025 Explains why a government that borrows only in its own currency cannot be forced into insolvency, and what the real constraints on spending therefore are.

MMT and rules of government borrowing September 2025 Examines the conventions around bond issuance and deficit rules, arguing that these are political choices rather than economic necessities.

What is modern monetary theory? September 2024 A clear introductory explanation of MMT, covering the role of tax in controlling inflation and the primacy of fiscal over monetary policy.