

How did Danny Alexander end up in government?

<https://www.taxresearch.org.uk/Blog/2014/01/13/how-did-danny-alexander-end-up-in-government/>

Published: January 12, 2026, 8:18 pm

I thought this from an FT email this morning quite amazing:

Treasury gives debt pledge on Scotland: The UK Treasury will on Monday assume full responsibility for Britain's £1.2tn debt stock in the event of Scottish independence, in an attempt to head off market jitters ahead of September's referendum. Danny Alexander, Treasury chief secretary, fears gilt investors could start demanding a risk premium in the coming months on the grounds that some UK debt could be transferred to a newly-independent Scotland with no credit history.

First, the UK has not got £1.2trn of debt. About £375bn of it is owned by the Bank of England and you cannot owe yourself money.

Second, given that this was, no doubt, to be the subject of major negotiations with a new Scottish government, this statement is the most massive exercise in shooting one's self in the foot: Scotland now starts from the position that the debt is England's problem.

Good work Danny, although whether that comment is viewed ironically or not depends entirely on one's viewpoint.

Whatever that viewpoint perhaps the biggest question is how a man with such negotiating skill ended up in government. [Perhaps my previous post helps explain.](#)