

Debt is a weapon of control

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Peter May got to this issue quicker than I did yesterday. Peter writes regularly on the a Progressive Pulse blog that I publish. [He said yesterday:](#)

[Nick Macpherson](#), former [Permanent Secretary to the Treasury](#) has tweeted:

Writing off NHS trust debt only justifiable if correlated with high pressure areas, eg London. Otherwise an inefficient way of addressing resource constraints. Of course, it adds another 0.7% to national debt/national income ratio. This crisis is becoming expensive. [#soundmoney](#)

Which comment is, as many will detect, complete junk.

Firstly ‘#Soundmoney’ is sound just so long as government creates it — so there’s no problem there then. If government is writing it off that is absolutely inherent in its ability to create it in the first place....

In the end the NHS’ supposed debt is a result of insufficient finance in the first place and as we are now realising, finance is created by government.

Debt is a control, long used by banks of course, but for the last 40 years or so governments, so often influenced by, and even made up of bankers, have used the same technique: debt gives the creditor control — [specious though it always is](#).

The technique is to slice and dice what government itself is in charge of and then arrange the system so as to suggest that a previously unenvisioned debt to another pseudo governmental agency means that you cannot have what you need.

That Hancock, not as a Treasury Minister, but Health Secretary, is writing off this debt, at a stroke, he has, I suggest, exposed the chirade of any debt at all.

Debt is, in short, a preferred weapon of control.

I would add one thing: nowhere is this more apparent than in the case of student debt. That's another issue where a write-off is now required as well.