

Funding the Future

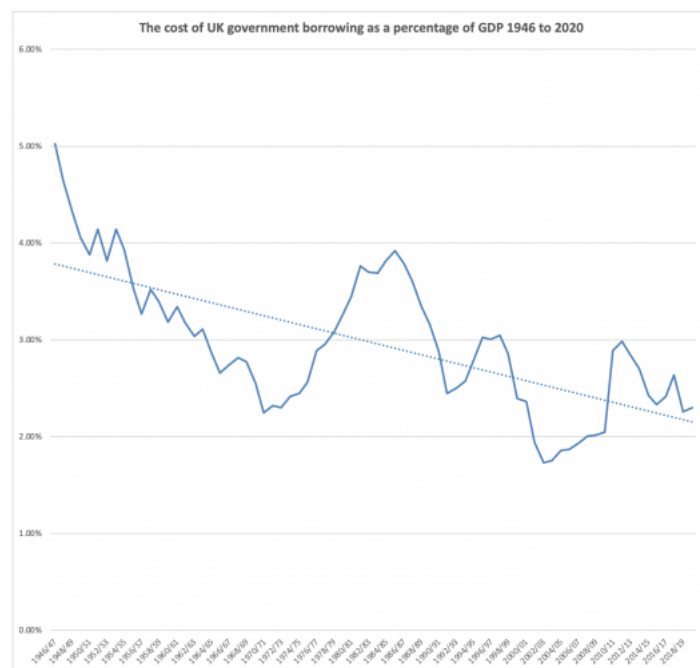
The cost of UK government borrowing 1946 to 2020

Published: January 13, 2026, 1:48 am

I have [already shown](#) that there is nothing exceptional, odd or worrying about UK public debt now, and will not be even if it increases significantly.

But it's not the debt people say that they worry about: they say that we should worry about the cost.

Well, that's not an issue either:



The data is from the [House of Commons Library](#) GDP data is from the Office for Budget Responsibility.

I added the persistent downward dotted trend line just in case anyone missed the point.

In cash terms, we have the highest government debt we have ever had.

But the cost is exceptionally low, and even if we increase what is described as borrowing as a consequence of coronavirus the impact will still be very small given current, exceptionally low interest rates, which look like they will persist for a very long time.

Please do always recall, that every penny the government spends on interest becomes someone's income - and most of it in the UK.

And there is good reason for that: UK national debt is just a savings mechanism. There is nothing more menacing or threatening about it to our wellbeing than the amount saved in banks and building societies.

My advice to those worried about this can be summarised in the words of Frankie Goes to Hollywood: relax, don't do it.