

# Funding the Future

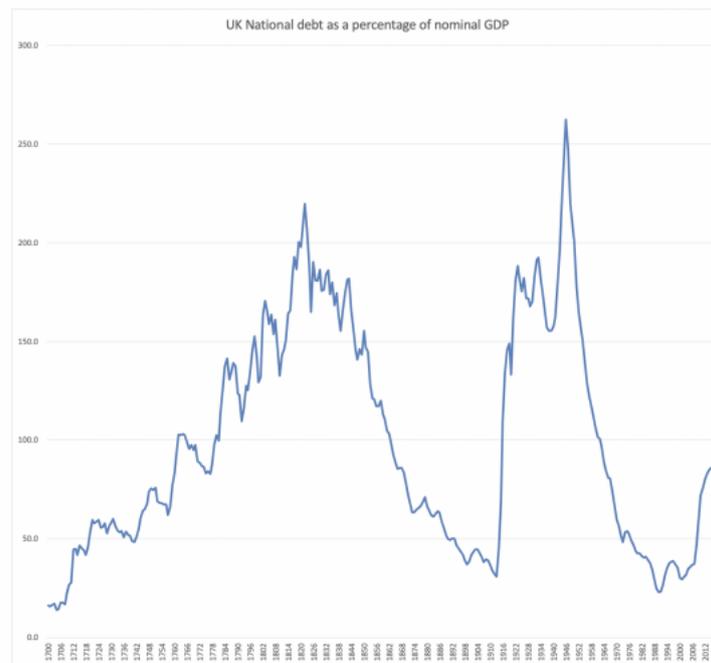
## The national debt is at below historic average levels, ...

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I did some almost accidental research on UK so-called national debt to GDP ratios whilst working on the book I am writing.

Using [the long term macroeconomic data](#) published by the Bank of England I calculated the average so-called national debt to GDP ratio over a 315 year period from 1700 to 2015, the chart for which looks like this:



The average is 98.1 per cent over that 315 year period.

Then [I noted this data in the ONS report on the government's finances for February 2022](#), where this is said:

\* Public sector net debt excluding public sector banks (PSND ex) was £2,326.8 billion at the end of February 2022 or around 94.7% of gross domestic product (GDP),

maintaining a level not seen since the early 1960s.

\* Public sector net debt excluding public sector banks and the Bank of England (PSND ex BoE) was £2,005.3 billion at the end of February 2022 or around 81.6% of GDP.

If the first estimate was adjusted for QE debt of £895 billion the net debt would be £1,431 billion. That is about 58.3% of GDP.

Even if the government's made up figure for the national debt, which is the first noted and which the ONS press release undermines by offering an alternative that eliminates some of the impacts of QE, the current level of so-called national debt is below long term average for the UK, and when properly stated net of the government debt that the government actually owns itself, the figure is at the lower end of the recorded scales of so-called debt over this period. As will be apparent, the number of years when the national debt is less than 58.3% is small, being 104 years in total, but 38 of them are before 1742. Since 1800 just 65 have been.

Three points follow. First, I call this so-called national debt because there is no debt here. These balances are for savings held with the government, which is the safest place of deposit for any saver seeking security for their funds.

Second, to pretend that whatever of the available figures for debt is chosen that this debt is currently out of control is quite simply wrong in that case, most especially when current low costs of interest are taken into account.

Third, if debt is this low what is the reason for not spending £50 billion or so now to prevent the poverty we are now facing. What might the argument for that be?