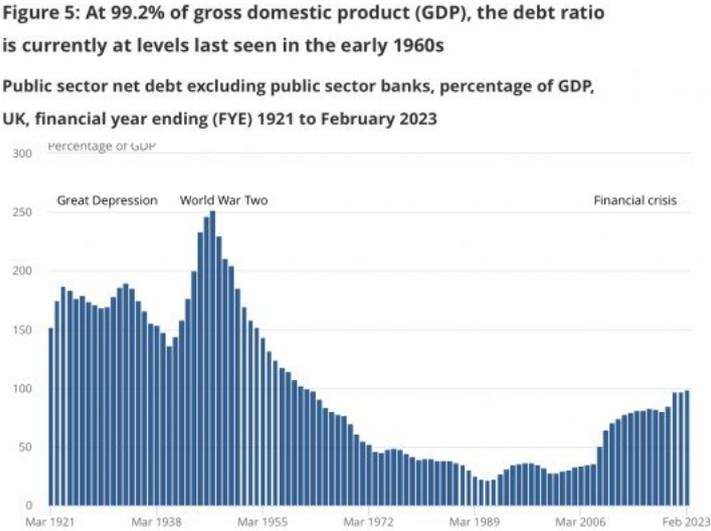


Funding the Future

The ONS data on the national debt ratio compares a fals...

Published: January 14, 2026, 12:02 pm

The Office for National Statistics issued its latest public finances data this morning, including this chart:



Let's ignore the fact that they include more than £800 billion of debt owed by the government to itself in the debt figure, making any claim that the ONS might make as to credibility laughable.

Let's ignore too the fact that the national debt figure includes about £200 billion of debt supposedly owed by the Bank of England which you will not be able to find on its balance sheet.

And let's also ignore the fact that more than 8% of GDP is a wholly made up number representing rent owner occupiers of houses supposedly pay themselves for the privilege of living in their own homes.

In other words, let's ignore the fact that this ratio compares a false figure with a crap one.

Let's just ask instead what the purpose for highlighting this is?

Is it to say the debt is unrepayable? If so, it is clearly wrong. We have repaid more.

Is it to say we should panic? But why, when debt created such good things in the 50s and 60s?

Or is it to say government is overspending? Is that the job of the ONS?

Or could it be that like the quality of the numbers underpinning it, the ONS really has no clue what this chart is about?

What it actually purports to show is the cumulative government deficit since 1694 against current income. As ratios go that is not very helpful since it mixes time scales.

But what it does not show is debt, because if that debt were to be repaid money would have to be created to pay it. And money is of course just debt. So, in effect, it is unrepayable except by taxing it out of existence. I doubt anyone is suggesting that.

So, what this chart actually shows is how much money the government has cumulatively injected into the economy and not taxed back. It is, therefore, a measure of government created money.

So, the right questions to ask are:

- * Can we do without this money?
- * When banks are clearly failing, again, shouldn't we celebrate the fact that we have this money?
- * Could we do with more of this government money?

The answers are no, yes and yes.

But the ONS does not understand that.

It is really not a very good statistics authority. A good one would understand why it is producing data, get it right, and ask meaningful questions of it. The ONS fails on those criteria.