Funding the Future

LBC: This morning

Published: August 22, 2026, 7:30 am

I have just finished a live broadcast on LBC Radio with Matthew Wright, discussing whether we should worry about the UK’s national debt approaching £3 trillion.

An Institute for Fiscal Studies representative said yes, we should, and the debt should be cut, or the time would come when there was a crisis and we would be out of credit, which, with respect, shows a fundamental lack of economic knowledge.

Matthew made clear he knew I would offer a differing opinion and gave me as much time as he could.

I explained:

* The national debt is just money spent into the economy not taxed back.
* This so-called debt is just savings deposited with the government.
* Repaying it will cut private wealth.
* It will require taxes in excess of spending, and that will create a recession.
* We have no financial constraint; the government makes our money.
* If we want to cut interest costs, tell the Bank of England to cut the base rate.
* And cut interest on central bank reserve accounts.

There was probably more – time flies when you are on air.

Matthew said we could talk for longer.

The producer assured me I would be back.

The playback is, I am sure, on the web, but I need to get ready for a morning of birdwatching.