

At last - the realisation that inflation may be what we...

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I have argued that inflation is no bad thing for some time. When the world is populated by rotten money the only way out is, eventually, to root it out of the system and if that can't be done by growth (and given there's about for times more rotten money in the world than total world GDP that was never going to be likely) then inflation is the only way to do it unless the horrible mess of default is to be sanctioned.

[Will Hutton argues this case in the Observer this morning.](#)

So does [its editorial](#).

Both are right: letting inflation, modest inflation but well above 2% inflation, is vital now.

That does not mean I argue for a reduction in real wages: wage inflation has to be part of this. Inflation is needed so that current wages increase relative to debt, gradually writing it down rather than paying it off.

Of course the bankers will protest. This challenges 30 years of their control - where money has been far more important than people. That hegemony has to be challenged, now. People must come first and the bankers and their wealthy backers have to lose.

Inflation is a necessary tool in bringing the feral economy under control. So be it. That control has to be imposed now, for the good of all ordinary people - the 99% of the people of the world over.

Oh, and how's that done? Well - as the Observer argues, by quantitative easing - but of the form I have also argued for - where cash is spent into the economy - and not just given to banks.

NB Apologies for an uncorrected draft of this being posted this morning