

Inflation, please

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I do not, by any means, always agree with Diane Coyle, but I do with [this in the FT today](#):

A quick and politically painless way to reduce debt burdens, private and public, is a bout of high inflation.

This would arbitrarily redistribute resources from savers to borrowers, but it would clear the decks for the economy to grow again. If we face sustained low or negative inflation, by contrast, the prospect of lost decades looms large.

There will be howls of protest from small savers and some on fixed incomes, I know. But they have done very well for a long time. And the young need inflation now. In fact they don't just need it; sustained inflation of 4% or more is almost vital for a while, mixed with house building to keep asset prices down. Aggressive increases in the minimum wage would have to be another key feature of the policy. Delivering all this is another issue so weak is our economy.