

The truth about money - in the House of Lords

Published: January 13, 2026, 9:58 am

My old tax justice friend Prof Prem Sikka is now the Noble Lord Sikka, having been sent to the Lords by Jeremy Corbyn. [Last week he said this in parliament](#):

Let us be clear. The Government can create any amount of money they wish to shape a society which is good for all of us. If that money creation is inflationary, they can remove some of it from the rich through redistribution.

He was absolutely right.

That is, of course, modern monetary theory in a nutshell.

And it also makes clear why we should both create money and use tax to correct for imbalances in society.

It was an incredibly precise and appropriate intervention for all those reasons.