

There is no justification for releasing hell on earth f...

Published: January 13, 2026, 3:38 am

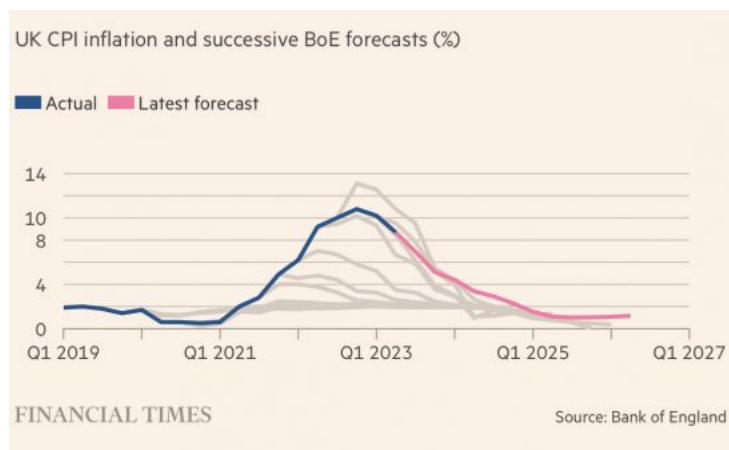
Martin Wolf [wrote an article](#) for the FT that began by saying:

At this stage in the inflationary process, a central bank needs to show moral fibre. Last week's 0.5 percentage point rise in the Bank of England's intervention rate was unquestionably necessary. It may even be that the resulting 5 per cent rate will not be the peak. Nevertheless, doing whatever it takes to bring inflation to target is more than merely desirable, it is the bank's legal duty. Nobody on the Monetary Policy Committee is free to ignore this obligation.

He goes on to demand a recession.

Every now and again Wolf writes something I can agree with. I was beginning to think he got the significance of climate change, for example. He also appreciates the cost of high-interest rates on developing countries. Occasionally, I could almost imagine that there was somewhere deep inside him a human being struggling to get out and even show remorse for his past neoliberal failings. But I was obviously wrong. It takes considerable indifference to human suffering on the altar of monetary orthodoxy to write something as indifferent to human wellbeing as that paragraph.

The rest of the article was as bad. I would even accuse it of spreading misinformation. This chart is an example:



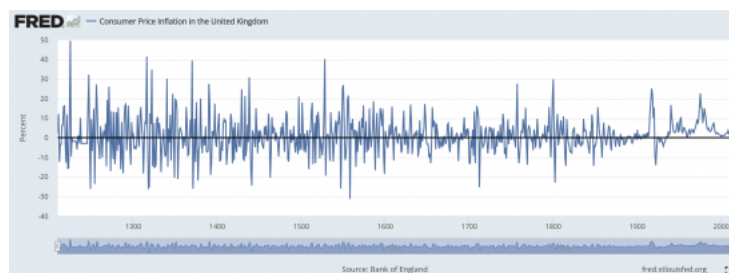
I do not hold back in my criticism of the Bank of England, but to include forecasts of inflation from early 2020, when we had no reason to think inflation would rise, in this chart is misleading. It's also misleading to include a forecast of inflation without energy price support when it was known that was going to happen. This chart is disingenuous as a result.

But so is Wolf. His claim that the Bank of England have a legal duty to cut inflation is crass. The government creates vast numbers of legal duties that are in reality no more than statements of objective. Wise people know that. Wise people also know that in the face of changing circumstances, compromise and reappraisal are required, with new objectives being set. To pretend that a law that was itself no more than a whim of a passing politician, now losing removed from power, is justification for the imposition of human misery of the type Wolf demands is an indication of what might, if I am being kind, be called intellectual poverty.

And let's be clear about what Wolf's weasel words really mean. He is saying 'there is no alternative'. He's back to his very worst Thatcherism.

But he is wrong, of course. Two members of the Bank of England Monetary Policy Committee last week disagreed with him, or at the very least thought that their legal duty was best exercised by taking no action right now on interest rates.

And he is wrong because, as I have noted before, the reality is that inflation always goes away anyway. Take, for example, [this St Louis Fed chart](#) which summarises data from the [Bank of England](#) on inflation trends in first England and then the UK over a period of more than 800 years:



After a period of inflation there has, historically, always been [deflation](#), and even if the latter has been rare of late, there is always a return to more normal rates. The simple fact is that despite what politicians and the Bank of England claim, [inflation](#) does not persist. The policy measures put in place to supposedly tackle often only make things worse.

But people have been persuaded otherwise by the likes of Martin Wolf and those whose job they think it to be to support the value of the currency in preference to the strength of the economy, the people on whose wellbeing the country rests, and evidence. They

are out in force in the FT this morning, demanding a long period of positive real interest rates and a declining central bank balance sheet, both of which will be disastrous for the country, but which will serve the interests of those promoting inequality very nicely.

The reality is that there is a choice available now.

The Bank could, and should, have done nothing last week.

The Bank could, and should, have ended quantitative tightening.

The Bank could, and should, have said it is going to wait and see the impact of previous rate rises.

The Bank could, and should, have said that as inflation falls (as it will) so will rates.

It did none of those things.

It just chose to impose misery, stress, harm and destruction on the economy, in response to which the prime minister said 'we should keep our nerve', without once explaining how a household facing impossible increases in housing cost and a government that is doing all it can to reduce its real net income is meant to 'keep our nerve'. And Wolf has the temerity to suggest that imposing this misery is evidence of 'moral fibre'.

I won't describe my anger about people who write articles of the type Wolf has done. They are wedded to outdated and obviously false dogma (indicated by the fact that it has failed so often) and yet they demand more quite literal human sacrifice to their cult of stable money. To say I despise them for their utter callousness is to understate matters. Hell would be too good for those who will impose so much misery without justification because it is hell on earth that they desire for others, and I think that is unforgivable, most especially when that hell on earth is all to save some cash on the shopping bill which could be more compensated for with fair pay rises that are entirely within the gift of government.