

When did we give central bankers the right to reorganis...

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I posted this tweet this morning:

<https://twitter.com/richardjmurphy/status/1679013199562022912?s=61&t=fQEnD35XLiGihXLT1M1wyA>

As is apparent from the clipped [element of the FT's report](#), it would seem that the US is on target to meet its inflation goal, and soon. What is more, the Fed has now achieved the goal that every central banker seems to have, of delivering positive real interest rates in the US economy, even if these are bound to suppress real economic activity.

However, that is not enough for the Fed. They still want to increase rates further, the excuse being, according to the same FT report:

Prices are expected to increase 0.3 per cent on a monthly basis in June, up from 0.1 per cent the previous month, but the annual figure will be helped by so-called base effects, as extremely large rises from June 2022 drop out of the calculations.

This is absurd. Not only does this change the definition of inflation - which is always measured over a year - but also adds in a new measure of core inflation which is affordable if non-core measures have gone down to compensate.

The over-arching sense I get is that the Fed is looking for any excuse to raise rates. It knows that this core inflation will be wholly unaffected by those interest rate rises. Instead, they are just looking to create an environment where strong positive interest rates that are designed to redistribute wealth upwards in society become the norm.

Since when did we decide, anywhere, that central bankers were to become the determinants of what is fair income distribution in society, and were to be allowed to use that power to significantly increase inequality? That is what seems to be happening now. It is fundamentally anti-democratic.