

# Inflation is over: now it's time for massive cuts in th...

Published: January 15, 2026, 1:11 am

---

The [Office for National Statistics](#) has published new inflation data. As they note:

- \* The Consumer Prices Index (CPI) rose by 1.7% in the 12 months to September 2024, down from 2.2% in August.
- \* On a monthly basis, CPI was little changed in September 2024, down from a rise of 0.5% in September 2023.
- \* The largest downward contribution to the monthly change in CPI came from transport, with larger negative contributions from air fares and motor fuels; the largest offsetting upward contribution came from food and non-alcoholic beverages.
- \* Core CPI (excluding energy, food, alcohol and tobacco) rose by 3.2% in the 12 months to September 2024, down from 3.6% in August; the CPI goods annual rate fell from negative 0.9% to negative 1.4%, while the CPI services annual rate fell from 5.6% to 4.9%.

Despite the obvious conclusion that inflation is now beaten - as I long suggested it would be, simply because of the effluxion of time - I notice that Andrew Bailey from the Bank of England is now demanding that national insurance be increased on wages because of the risk from a recurrence - which does not exist unless there is a massive escalation in the conflict in the Middle East, which is an issue over which the rate of national insurance on UK wages has no impact (although I doubt he understands that).

It really is time for the Bank of England to say that this episode of inflation is over, which it is, all bar the fact that interest rates remain way too high.

How much too high? At least two per cent too high on the basis of any reasonable analysis, and I would argue three per cent too high on the basis that bank base rates should at most seek to maintain the value of money - and so be no more than the inflation rate, or even a little less.

If that reasoning was to be adopted, we would have a totally different economic outlook

in the UK and no more risk of inflation than we have now. But how likely is that to happen when high interest rates keep the money flowing upward within our economy and people chained to their jobs to service their debt obligations? There is very little chance at all. But when [I said this morning](#) that at some time, there is going to be a massive rejection of this economic model, fuelled maybe by a crash or even precipitating a crash, then I think I am right. Debt oppression of the sort we have cannot last.