

Peter Martin's [article](#) (Low pay rises are now routine. Here's why – *Canberra Times* p21 14 Dec 2017) is correct as far as it goes; although jobs are being created, fewer than in the past offer the prospect of long term careers and, hence, form a sensible foundation for planning or investment, like starting a family or buying a house. Instead, by minimising their wage demands, people are trying to ensure that they will have a job to retain at all – just ask journalists!

But even if people do get a wage increase which approximates to “inflation”, in the form of CPI, they find that they can't afford the things that once made up their standard of living. As they have little choice, they cut their spending to fit their budget and, because of their level of personal debt, try even harder to secure their jobs by minimising their wage demands. As their standards of living still mysteriously fall, even despite any wage increases that approximate to what they understand to be “inflation”, ie CPI, who should they blame?

Mr Martin could have usefully referred to the effects of the US Boskin Commission's report of 1995-6, subsequently adopted by economists and statisticians worldwide. At a time of high inflation, it attempted to lower CPI expectations, and thus moderate wage claims, by playing with the statistics. Well, they've really gone and done it this time, haven't they?