

Sunday Socialist

INSIDE

Why wages don't cause inflation

Company	Profits (\$Billion)	Real profit growth (percent)	Real wage growth (percent)
Amazon	37.8	94	10
Walmart	26	6	9
CVS	17.2	17	3
Target	9.2	73	3
Kroger	4.5	59	1
Average	18.94	49.8	5.2

Right to protest withdrawn

THOSE shocked by the arrests of republican protesters this week are very likely to be even more disturbed in the near future as people come to be arrested under the [Police Crime, Sentencing and Courts Act \(PCSC\)](#) which came into effect earlier this year.

Although the three arrested (one later released without charge) were apparently charged under the old breach of the peace law one of them, 45-year-old Symon Hill, who shouted “who elected him?” during a reading of a proclamation in Oxford, said he was originally arrested under the new Police Bill.

A 22-year-old man who heckled Prince Andrew, and a woman holding a “f*** imperialism, abolish monarchy” sign near St Giles’ Cathedral in Edinburgh were also arrested under the breach of the peace law, a law not as innocuous as it might sound given that the maximum penalty for this offence is a 12-month prison sentence or a fine of up to £5,000, or both. Though these arrests were covered in the media only a few groups and individuals have condemned them: the advocacy group Liberty, the Global Majority Vs Campaign. Labour MP Zarah Sultana said “No one should be arrested for just expressing republican views.” A view not entirely endorsed by her party’s leader.

But are the police ‘testing’ their new powers under cover of the state-imposed mourning period, when the public are more likely to cheer them on?

We do still have the right to protest, but the police



(image by Ehimetalor Akhere Unuabona -Unsplash)

are being given more powers to arrest us for exercising that right. Previously, they were able to put conditions on a protest march if they thought it could cause disorder or serious disruption, but for the first time the new bill gives examples of what might amount to ‘serious disruption’. These include significant delay to the delivery of a time-sensitive product to consumers of that product and prolonged disruption of access to any essential goods or services, such as money, food, water, energy, or fuel. There is also a ‘noise trigger’ where conditions can be put on a protest if it’s thought the noise generated by protesters may result in ‘serious disruption’ to the activities of an organisation in the area, or if they think the noise generated by protesters may have a significant impact on people in the area.

Given that protests are often intended to cause disruption and to make noise in order to draw attention to their cause, this is a significant change.

In a time of ‘national mourning’ the enforcement of a consensus through aggressive policing is worrying, but what if we suddenly find that under this act, those simply arguing for a change of government are arrested for making a noise some people, Conservatives, find has an impact on them.

This is a worrying abuse of police power to protect the rich and powerful from those who favour a more equal society. This drift into an authoritarian consensus must be resisted.

World ignores climate science as emergency worsens

AS the Climate Emergency worsens, a group of climate scientists have issued a stark warning that, unless governments and industry adopt realistic targets, there will be no hope for any of us. Writing in Nature magazine, the scientists argue that targets need to be clear and based on science.

Yet they reveal that of the 500 top greenhouse-gas-emitting companies only 22 have targets in



line with the Science-Based Targets initiative (SBTi). This failure to adopt science-based targets comes as UN Secretary-General Antonio Guterres warns that the world is heading in the wrong direction on fossil fuels. Citing recent extreme weather events, including floods in Pakistan, heatwaves in Europe and many other parts of the world, he says that “humanity’s fossil fuel addiction” is the cause.

The climate scientists found that the top 200 cities with the largest greenhouse-gas emissions host the headquarters of 360 of the top 500 emitting companies. More than 50% of these cities and companies are in water-stressed areas, including Mexico City, Santiago, Beijing, Madrid, New Delhi, Rome, Istanbul and Phoenix, Arizona.

UK Rolling back on commitments

New UK Prime Minister, Liz Truss, a climate sceptic, made one of her first acts as Prime Minister to reintroduce fracking. In her first major speech following her elevation to PM she

pledged that her priorities would be “dealing with people’s energy bills, but also dealing with the long-term issues we have on energy supply”. Most commentators regard that as a renewed commitment to fossil burning energy and a commitment to license more oil drilling. Professor Myles Allen, Director of the Oxford Net Zero initiative, said in response: “Truss must also know how flood victims in Pakistan would react to Global Britain backtracking on its climate change commitments less than a year after cajoling the world into signing up to the Glasgow Climate Pact.”

Governments have known about the climate emergency since at least the nineteen eighties. They have avoided taking the actions that they know are needed because they have been more concerned to protect the profits of the fossil fuel companies. DeSmog, a campaign group, reported more than a year ago that fossil fuel companies were nine times more likely to have ministerial meetings than clean energy companies.

For those hoping for a radical Green New Deal from an incoming Labour government are likely to be disappointed, as Starmer has repudiated all the 2019 manifesto pledges. Meanwhile Extinction Rebellion are planning a weekend of activities on October 14th – 16th in another attempt to force the issue into people’s consciousness. Critical Mass continues to believe that it is not nuclear power or fossil fuel power that will save the environment but people power, and we urge people to support Extinction Rebellion.

[Read online](#)

Calls grow for Israel to release dying prisoner

APPEALS to the Israeli government are growing over the plight of a Palestinian prisoner who is suffering from cancer and believed to be near death.

Nasser Abu Hamid, 49, was first moved from prison to hospital in January, but Israeli prison authorities have now transferred him from the hospital back to Ayalon (formerly known as Ramla) prison clinic, some seven kilometres away, after the hospital said there was nothing more it could do.

Abu Hamid, who has been in prison since 2002, was sentenced to life after an Israeli court found him guilty of taking part in attacks during the second Palestinian Intifada. He began to fall ill in August last year with chest pain and was moved to hospital where doctors found and removed a lung tumour. He was then moved back to Israel's Ashkelon jail where his condition worsened. The Palestinian Prisoners Society said his access to chemotherapy was deliberately delayed.

Last month, the PLO Prisoners and Ex-Prisoners Commission said a tumour recently detected in Abu Hamid's head was a result of the Israeli prison service's failure to deal with his condition earlier. This sentiment was echoed by Amany Sarahneh, a spokesperson for the Palestinian Prisoners Society, who said: "Nasser was exposed to a slow death operation. Every time Nasser needed to be sent to hospital the prison administration would postpone. His fellow prisoners would protest to pressure authorities to transfer him."

This is part of a systematic policy of medical negligence and delays in providing treatment, which all the prisoners are exposed to, not just Nasser.

Amany Sarahneh

His family and prisoner groups said late last week that Nasser Abu Hmaid was facing "his last days". This was based on an Israeli medical report they received

from the Assaf Harofeh hospital near Tel Aviv, which recommended his immediate release from prison.

Abu Hamid is one of five brothers from the same family handed life sentences by Israel. A sixth brother was killed by Israeli forces. Their mother was not allowed to visit them for years and their father died while the brothers were behind bars, according to [Al-Araby Al-Jadeed \(The New Arab\)](#).

Protests calling for Abu Hamid's release have been held in several cities across the occupied West Bank and the blockaded Gaza Strip, as well as in front of the prison. The Palestinian Prisoners Society has said that it is filing an appeal for his immediate release.

On Friday, Hamas repeated its offer to Israel to negotiate the release of Israelis held in Gaza in exchange for the release of sick and elderly Palestinian prisoners held by Israel. Out of the approximately 4,450 Palestinians held in Israeli prisons, there are 600 who are ill with various diseases and who require treatment, as well as 23 who suffer from cancer.

To the Palestinian people these are political prisoners fighting to end Israel's illegal occupation.

[Read online](#)



Tories watch inflation grow as they plan bonanza for their banker friends

Kwasi Kwarteng shows the contempt the Tories have for workers by planning to scrap the cap on bankers' bonuses in his first mini-budget in the next few weeks. Kwarteng, who previously worked for JP Morgan, has not confirmed the plan but sources speaking to the Financial Times say it is very much on the agenda.



The cap was part of legislation introduced after the crash of 2008 and was part of a package known as the Capital Requirements Directive which capped banker bonuses at twice their annual salaries.

Starting salaries for investment bankers are £30-40,000 rising to £50-70,000 after 3 years. According to Liz Truss, these rules “hold the City, and its contribution to the entire country, back”. Apparently, if you cannot get a bonus more than four times the average wage you are likely to lose all motivation.

Yet, strangely, workers on less than the average wage are being asked to forego a wage increase that keeps up with the cost of living to support the economy. Of course, the pro-Brexit extremists now running the UK are motivated both by their desire to reward their former workplaces and their loathing of anything European.

Labour leader, Sir Keir Starmer, repeated his line from June that the plan amounted to “pay rises for city bankers, pay cuts for district nurses”. Whilst it is true that NHS workers face a real term pay cut, waiting for a Labour government is likely to mean ordinary workers facing two years of cuts in the, probably forlorn, hope that Labour will reverse the cuts if elected.

There is only one way to stop the Government in its tracks and that is by a massive show of opposition and by those who are able to strike taking action in support of their livelihoods. It is becoming increasingly obvious that one-off actions do not do anything to heal the gaping wound of inequality. We need a real socialist alternative to this system and we need it before the next general election.

[Read online](#)

Netherland Unions win rail dispute

WHILST the UK mainstream media has been in full meltdown over the death of the Queen and ascension of Charles, the rest of the world has just been getting on with business as usual. And that business in the Netherlands has been good news for unions.

Much as they have done here, rail workers in the Netherlands have had a series of strikes recently over conditions and pay. The FNV's – The Netherlands Trade Union Confederation, the largest in the Netherlands – railway branch called a series of strikes on the Dutch state-owned rail network, Nederlandse Spoorwegen (NS), after negotiations on a new collective labour agreement broke down.

Unions were striking against the suspension of collective

agreement talks with the management, during which they had asked for higher wages to make up for rising costs of living. Among their demands was a minimum wage increase to 14 euros per hour and the filling of 1,400 job vacancies.

Chaotic summer

Nearly the entire Dutch rail network had been shut down as workers went on strike at the end of August to demand better pay and conditions, and subsequently halted trains across the country. It has been a long and chaotic summer with travellers facing strikes across various national and regional routes as operators



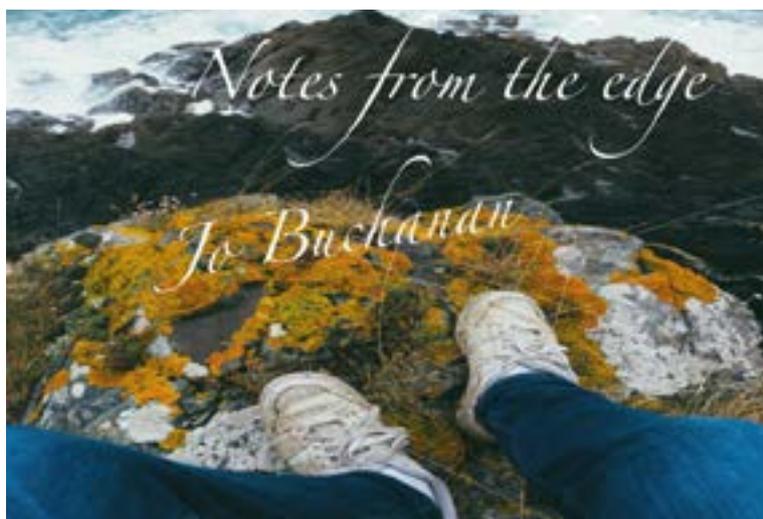
struggled to meet the unions demands. The past few weeks have seen the FNV, Christian National Trade Union (CNV), and Trade Union for Machinists and Conductors (VVMC) organise various strikes amongst NS workers after negotiations broke down at the beginning of August.

Deal reached

But on Sunday unions reached a deal with employers to increase workers' pay by more than 8% over 18 months, ending the dispute. The deal comes amid rising inflation in the Netherlands and throughout the EU, and is significantly higher than average wage settlements in the country so far in 2022.

The average pay increase negotiated thus far this year in collective labour agreements for approximately 2.5 million Dutch workers is 3.2%, according to data from employers association [AWVN](#). As Dave Middleton points out in his analysis article for [Critical Mass](#) pay, unlike profits, is still behind inflation.

NS Railways said pay would rise retroactively from July by 5%, or a minimum of 185 euros a month, with an additional 3.45% in January. Unions have said they have also secured agreement on their demand for a minimum wage of 14 euros per hour and two additional payments of 1,000 euros per worker.



Defend the Elbit Eight

A landmark court case is due to be heard on 10th October in London. Eight Palestine Action activists face charges including burglary, criminal damage and blackmail, relating to actions at Elbit properties in Oldham and London. The activists have been dubbed ‘The Elbit Eight’ and are facing extremely serious charges. Two of the defendants could be sentenced to 38 years in prison, and others face up to 14 years. There is also the possibility of a Serious Crime Prevention Order. This lifelong order would mean the defendants could no longer be involved in political campaigning for Palestine.

Palestine Action hopes the case will expose Elbit Systems, Israel's largest arms company, which made profits of \$1.404 billion in the year ending June 2022, a 15.5% increase on the previous year. In the UK, Elbit factories produce Hermes and Watchkeeper drones, in addition to Rampage and Delilah missiles, a range of bombs (including what they describe as ‘Next generation’ MPR 2000), and a variety of UAS (Unmanned Aerial Systems). The Hermes 450 has been in operation for a number of years. According to Elbit it carries “hyper-spectral systems, large area scanning systems and other payloads”. ‘Other payloads’ means weapons. Palestine Action claims that in 2014 the Hermes 450 was involved in attacks in which 2,000 Palestinians including over 500 children were killed in just 51 days.

Corporate Watch note that Elbit “has military contracts

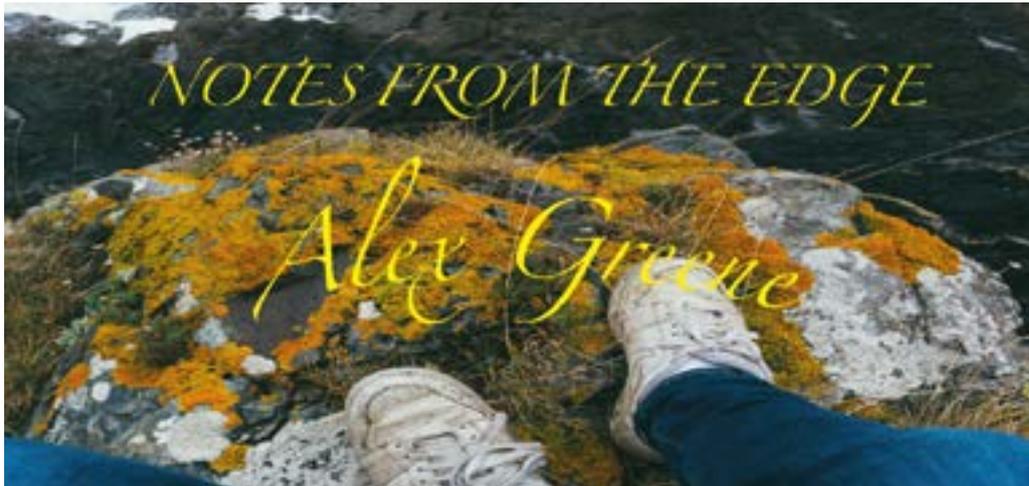
with governments in the US, UK and Europe, Africa, Asia and South America. It manufactures most of its equipment in Israel, the US, Europe and Brazil.” A brief glance at their website shows how easy it is for these huge multinational companies to sanitise the business of mass destruction.

Palestine Action has protested at sites in the UK linked to the company. In December 2021, three activists were acquitted of criminal damage after daubing the walls of the company with red paint. The defence argued that, although the factory was damaged, this was not criminal damage as it was action to prevent the much bigger crime of Israeli violence in Palestine. In June, following sustained action from Palestine Action Elbit abandoned their London HQ.

The Elbit Eight took huge risks and urgently need support. In the words of Palestine Action, “Let it be known that we stand as the accusers, not the accused and we fully intend to expose Elbit’s many war crimes, in particular the Israeli arms company’s role in 74 years of occupation and dispossession lived by the Palestinian people“.



For those wishing to support the Elbit 8 Palestine Action has set up a campaign page [here](#).



Casting The Runes

Welcome to my weekly column about finding, and having, a very real, practical faith that we need every day, just to get up in the morning.

Ghost Stories

There was an author, Montague Rhodes James. M R James, known to his close friends and to aficionados as 'Monty', wrote these wonderfully scary little ghost stories in the last century. The late Edwardian era was a simple time, compared to today, and his ghost stories continued the old oral tradition to the great delight of his audience.

Darkest Magic

One of my favourite stories is 'Casting The Runes', a story about a sceptic whose cynical world view is turned around by a magician called Karswell.

Karswell (a thinly-veiled Aleister Crowley) plagues the protagonist, Edward Dunning, with a deadly spell – a slip of paper bearing runes which summon a demon after a specified time. Dunning became increasingly fearful through the duration of the story until the very end, when he managed a feat of sleight of hand to give Karswell back the slip of paper, consigning the antagonist to his sorry fate.

The actor Dana Andrews played the role of Dunning in the 1957 movie adaptation 'Night Of The Demon', a masterpiece of British cinema at the time. But all I could think about all summer long was this.

What if every constituent, every voter, sent their MP a rune strip?

Imagine all of them receiving a slip of paper, or a JPG attached to a tweet, bearing a short but pithy message written in runes. Every tory, every centrist Labour traitor, getting a piece of paper with an indecipherable message.

Wonder how that would make them feel?

At the very least, sales of M R James' short story anthologies would receive a boost. The MPs would have to read the book to find out how Dunning beat Karswell; and then they would all have to try and pass on several thousand rune slips apiece to unsuspecting people. Probably their fellow MPs.

Set the deadline at November 5. Symbolic.

Have a good week, everybody*

*except Tories and the media. They deserve a nightmare week.

Right wing bloc wins in Sweden

Sweden's centre-left coalition looks set to narrowly lose to a bloc of right-wing parties. With 99% of the votes counted the results are 176 seats to 173. The incumbent Prime Minister, Magdalena Anderson accepted defeat, and formally offered her resignation on Thursday. The closely fought election campaign was dominated by immigration and integration issues, as well as soaring electricity prices.

Liz Truss lifts ban on Fracking

Liz Truss has lifted the ban on fracking breaking a commitment in the Conservative Manifesto, "not to support fracking unless the science shows categorically that it can be done safely".

Caroline Lucas tweeted, that it was "a massive kick in the teeth for a vast majority of communities who don't want fracking, a disaster for climate policy, and a measure that will make absolutely zero difference to the cost of energy bills".

This about turn is at odds with her Chancellor, Kwasi Kwarteng's firmly expressed views on fracking that "it would take up to a decade to extract sufficient volumes - and it would come at a high cost for communities and our precious countryside...No amount of shale gas from hundreds of wells dotted across rural England would be enough to lower the European price any time soon."

Essential items continue to rise

After three weeks in which prices appeared to have stabilised the Critical Mass basket of goods has risen to £15.34. This means our basket of budget goods has risen by 14.2% since May, not even half a year. Whilst the government figures are giving the rate of food inflation at 13.2% annually, we know that if you are living on a low income and dependent on budget food that the figure is actually much higher. Of our 14 items, twelve have now risen since May 15th. The largest rise has been cheese which has risen a whopping 26.5%, followed by spaghetti hoops up by 23.1%. These items are essential for struggling families and the

prices show no sign of slowing down.

Somalia on the brink of Famine

Somalia has been pushed to the brink of famine by the unprecedented failure of four consecutive rainy seasons, which has forced several hundred thousand people from their homes and placed huge pressure on a country already weakened by decades of conflict.

Martin Griffiths, the Under-Secretary General for Humanitarian Affairs at the United Nations, compared the crisis to that of 2010-11, when famine claimed nearly 260,000 lives, half of them children.

Ukraine pushes back Russia

Ukrainian troops have liberated about 8500 sq. km. and 150,000 people. However, the prospects for peace are currently "minimal," the UN secretary-general said on Wednesday after a telephone conversation with Russian president Vladimir Putin. "I have the feeling we are still far away from peace. I would be lying if I would say it could happen soon," the Secretary General said, adding, "I have no illusion; at the present moment the chances of a peace deal are minimal," he added, noting that even a ceasefire is "not in sight."

Chile Remembers

People took to the streets of Chile on 11 September to commemorate the 49th anniversary of the 1973 coup that installed the murderous Augusto Pinochet dictatorship. Participants laid flowers at Allende's monument as well as at the entrance of the palace where he used to enter while president.

Left-wing parties, key political figures and members of the government, paid homage to the statue of former President Salvador Allende who died on the day of the coup.

According to government figures, during General Pinochet's dictatorship, at least 3,095 people were killed and tens of thousands more tortured or jailed for political reasons.

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The end of social democracy?

WHEN CORBYN was being attacked for his extreme 'hard left' policies, supporters were quick to point out that these policies would not raise an eyebrow in European countries like Sweden. They were part of the social democratic mainstream. The Labour Party had abandoned its social democratic principles under Blair and embraced neo-liberalism.

When neo-liberalism failed dramatically with the financial crash of 2008, Labour was powerless to mount an effective opposition to austerity. Scotland fell to the SNP and its base in the industrial working class towns of the Midlands and the North felt abandoned and, as a result Labour's traditional heartlands, began to turn to more right-wing alternatives.

Corbyn represented a return to Old Labour values that remained popular and were believed to be working in mainland Europe. Even conservative governments in the EU supported more state intervention, regulation and were more committed to social justice. These measures were popular across Europe. They remain at the heart of the politics pursued by the left in Britain. The left may well be divided over whether to stay and fight to recapture Labour or to form a new more principled party, but the politics remains the same.

That view has been challenged by the election result in Sweden. The far right Sweden Democrats came second behind the Social Democrats and overall the right wing coalition that includes the Sweden Democrats won the election. This is shocking because it has happened in Sweden which has a reputation for tolerance and being socially liberal. But it is not a surprise. A similar pattern has been emerging across Europe and the only reason the far right has made so little progress in the UK is because the Tories have transformed themselves into a hard right populist party. In 2000 two thirds of Europe was governed by social democratic parties by 2018 they were in government in just 2 states, and in coalition in 7 out of 28.

There are two issues here. Why is social democracy failing and why are the right wing benefiting and not the left? Social Democracy presents itself as being the democratic Left, so when it fails people do not immediately think that we need to be more left wing. They look for alternatives on the right.

Social Democracy fails because its political ideas developed during the long period of prosperity after the Second World War. A spirit of consensus prevailed. Labour's ambition was to manage capitalism for the mutual benefit of all, and one nation Conservatism was happy to tolerate trade unions and the NHS, to build council houses and maintain public ownership.

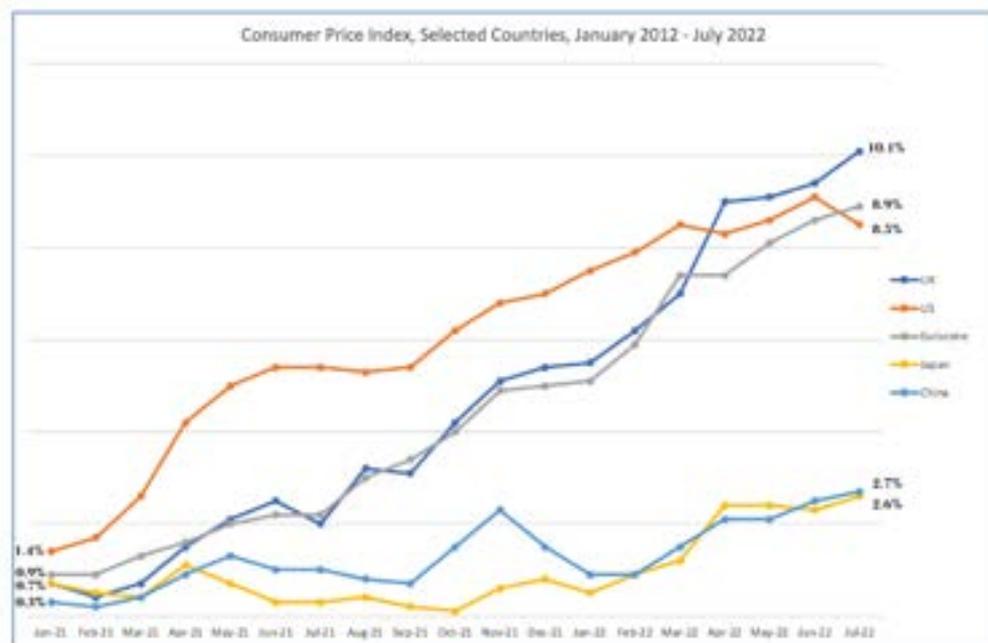
But as boom turned to slump and class struggle became a feature of the closing decades of the twentieth century, Conservatives were quick to reassert their class interest, while Social Democrats tried to maintain the consensus. By refusing to break with capitalism they had to argue in capitalist terms and shifted further to the right. Right wing policies clothed in left wing rhetoric have cemented the decline of Social Democracy. Sweden is just the last in a long line of failures.

Is this the end for social democracy? Unlikely. It will drag on and continue to move to the right rather than break with capitalism. A more important question is whether the left can break with social democracy and build socialist organization based on support for class struggle rather than subordinating class struggle to the needs of a failing system.

• Economy •

Are wages the cause of inflation by Dave Middleton

INFLATION has grown massively over the past year or so. It is easy to think that this is a uniquely UK-based problem, but, as trade is now globalised, so too is inflation. In the UK [inflation](#) has risen from 0.7% in January 2021 to 10.1% in July 2022. In the US from 1.4% to 8.5%. In the Eurozone from 0.9% to 9.1%. In Japan 0.7% to 2.1%. And even in China from 0.2% to 2.1%.



All countries are experiencing not only higher inflation but massive increases in the rate of inflation.

What these figures show is that whilst the rates of inflation may vary from country to country, the relative increase is a global phenomenon. There is another way of seeing this: whilst all countries are experiencing inflation (it is a global problem) some national governments are coping better than others.

Our incomes and thus our standard of living rely on the rate of inflation. We are all affected by inflation, but, despite this, in 2017 an [OECD-shows-62-adults-dont-understand-inflation/40304/](#) survey found that only 38% of adults in the U.K. actually understood what the term meant.

The [Cambridge Dictionary](#) defines inflation

as “a general, continuous increase in prices”. The International Monetary Fund ([IMF](#)) tells us that “inflation represents how much more expensive the relevant set of goods and/or services has become over a certain period, most commonly a year”. They go on to tell us: “Although high inflation hurts an economy, deflation, or falling prices, is not desirable either.” The IMF are, essentially, the global enforcers of capitalism, and their view is that cheaper goods and services are bad for the economy. By this they do not mean it is bad for you as a consumer but bad for business.

What nobody argues with is that inflation represents an increase in prices, but which prices?

There are various measures of inflation, including the retail price index (RPI), the

consumer price index (CPI) and the enhanced CPI, which includes housing and is known as CPIH. Each of these measures a slightly different set of goods and services. The problems of measuring inflation are two-fold. The CPI, which is widely used across different countries, is also constructed using different measures or giving similar measures different weighting.

For you and I the best measure of inflation is what we can afford to buy, we all know that our incomes are finite. At some point we all find ourselves robbing Peter to pay Paul. We also know that there are things we must buy, things we buy rarely and things which we tend to save for. Inflation then, is measured by the amount of money left over after all the essentials have been paid for. A rise in the price of one good can be offset by the lowering of the price of another.

Imagine that the cost of all the essentials you need is £100 per week. Imagine too that your income is £200 per week. Now imagine that, over the course of a year, those essential goods rise by £10. Whilst you previously had £100 of disposable income (your income minus the cost of essentials), you will now have disposable income of only £90. Inflation in this example is 10%. Let us now say you receive a pay rise of £10 per week. You now have a disposable income of £100. Inflation hasn't changed, it is still 10%. And, here's the political crux of the matter. You are not responsible for inflation. Your wages do not cause inflation.

The Tories and their friends in the media will try to convince you that it is indeed wages causing inflation. But, as we can see clearly in our example, inflation occurred before the wage increase. Indeed, far from wages causing inflation, the wage increase is a response to inflation. To put this bluntly, it is not wage increases that cause inflation, but inflation which causes wage increases.

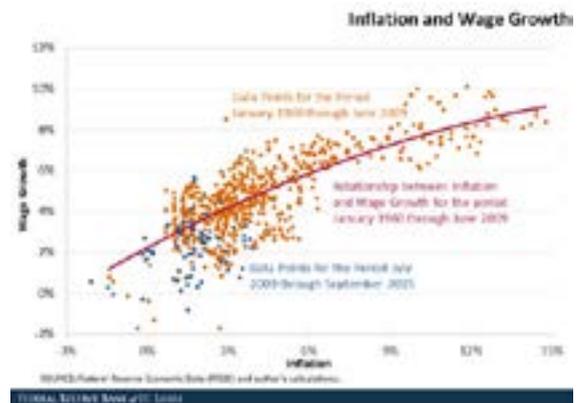
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Average	18.94	49.8	5.2

[Business Insider](#), in April, reported that an investigation by the Brookings Institute found that, whilst profits had increased by 41% between January 2020 to October 2021, wages only grew by 5%. One of the companies looked at was Amazon, whose workers received a 10%

pay increase during this period, but whose profits grew by 94%. Kroger, an American retail company, saw its profits rise by 59% whilst giving their workers only a 1% pay increase.

If wages are not driving up prices, then what is? An investigation by [Unite the Union](#) found that FTSE 350 companies profit margins for the UK's biggest listed companies were 73% higher in 2021 than pre-pandemic levels in 2019. Even though sales were down in 2021, profits still rocketed. This view is supported by the [European Union](#) who, in their economic forecast for July, noted the following: "The forecast for inflation has been revised considerably upwards compared to the Spring Forecast. Besides the strong price increase in the second quarter, a further surge in European gas prices is set to pass through to consumers also via electricity prices." The point to note here is that there is no mention of wages, it is prices driving inflation. Albeit that, in this case, those price increases are being blamed on a war that the EU failed miserably to prevent and probably encouraged.

According to establishment economics, any attempt by wage earners to keep pace with inflation would only create more inflation.



Economist Juan M Sanchez of the Federal Reserve Bank of St Louis plots a line showing how, as inflation increases, so do wages. It is a desperate attempt to suggest that one is causing the other, but, as any undergraduate statistics student could tell you, a relationship between two variables is not proof of causation. But, as Sanchez concedes: "In fact, the slope of the line declines with inflation, indicating that periods of higher inflation (especially higher than 6%) were also periods of lower real wage growth."

The simple fact is that there really is no evidence that higher wages create higher inflation. Wages themselves are only one part of a fairly complex relationship between the cost of production and the price of goods. As Marx acknowledged in his short booklet "Wage Labour and Capital", the price of a commodity is

determined by the interaction between three things: the cost of raw materials, machinery etc used to produce a good, the wage of the labour used to produce it, and finally the surplus which is the profit. As Marx puts it:

“The share of (profit) increases in the same proportion in which the share of labour (wages) falls, and vice versa. Profit rises in the same degree in which wages fall; it falls in the same degree in which wages rise.”

In other words, and most establishment economists would have no argument with this, wages do not determine price but rather profit. This is why it is possible for wages to fall as prices rise. It is not wages pushing prices up, but the demand for more and more profit. Blaming wages for inflation is not simply economically illiterate, it is a con trick that the rich use to turn workers against one another, a con trick that is failing currently as so many people are affected by the current wave of inflationary pressures and the cost of living crisis.

Now, we might question why companies need more and more profit. Remember, profit is the surplus after everything else is paid, including wages. So, why the need for profits to continually rise? Imagine you started a business and in the first year you made, let's say, £10,000 profit. This means you have paid all your costs (materials, labour, rent etc) which would no doubt include a wage for yourself, and you have a surplus of £10,000. Not bad. Now next year you only make a profit of £9,500. How would you feel? Would that feel like a disaster? You would, no doubt, say, well not quite as good as last year but I've still made a profit. Capitalism does not work on that basis.

Profits for large companies are related to share prices and dividends. Larger profits mean that dividends increase and as a result share prices also increase. From the capitalist point of view, the world is a wonderful place. For investors, larger dividends are a reason to hold on to those shares, but, if dividends fall, then perhaps it's time to move them on.

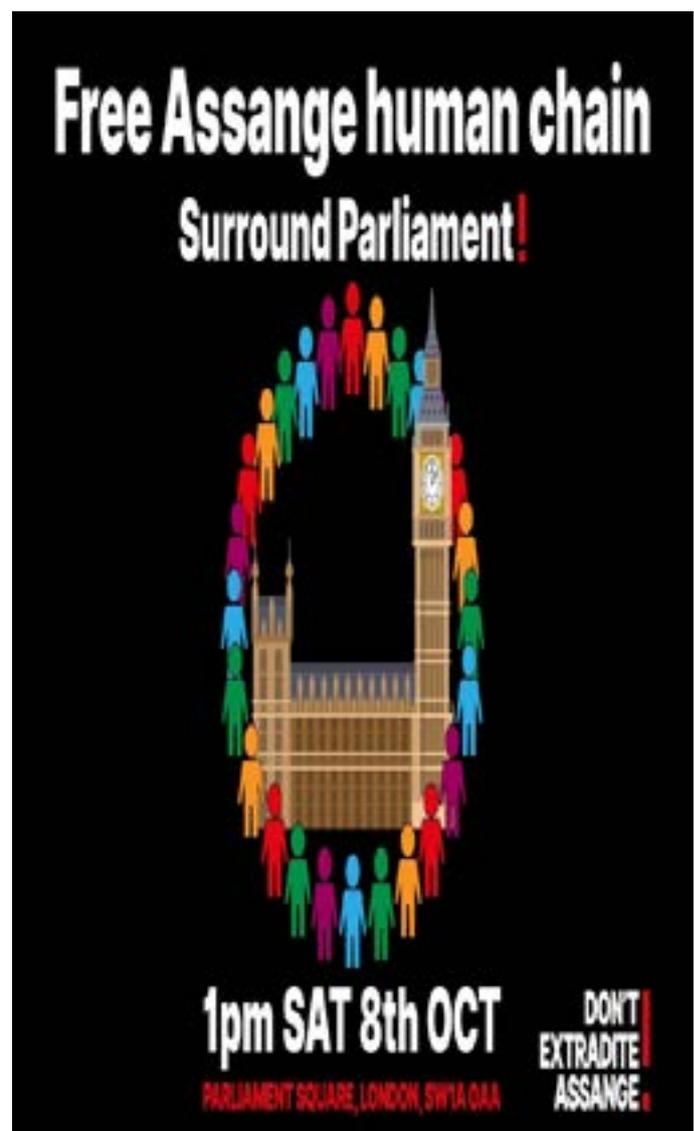
In effect, we are being held to ransom by the 2.2 million people who own shares in the UK, though the Office for National Statistics calculates that 55% of shares in UK companies are overseas owned, whilst pension funds (which we are often told would be bankrupt if somehow socialists got their way and abolished private share holdings) only account for 8% of quoted shares.

Inflation is the inevitable outcome of a system which, far from being obsessed with the production of a good life for the many, is obsessed only with the profits to be extracted for the benefit of the few. This is why it is inconceivable to companies that they should pay more wages and reduce profits. This is not, as you might

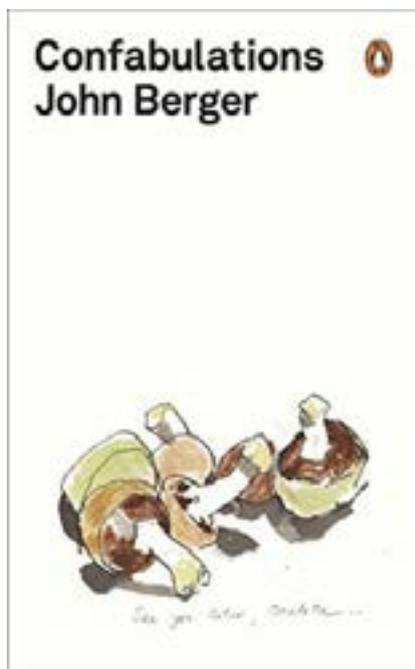
imagine, a moral failing on their part or a failure to recognise that people are in real hardship, it is the logic of a market in which a failure to keep making profits can lead to a total lack of confidence in a company. It doesn't matter whether what you produce is good or not. All that matters in this world is how much that narrow group of investors receive each year. We don't have to accept this. It is time that workers realised that, whilst the investors put in their money, it is they, the workers, who give their lives to these industries. Perhaps it is time that workers were rewarded with some say in how they were run.

[This article originally appeared online](#)

This article was written as part of the Critical Mass Analysis Series. Could you write for us, or do you have a view that you would like to share then use the contact us form to pitch an idea or open up a conversation. We would love to hear from you.



• Book Review • By Mike Stanton



Confabulations (Penguin 2016) is a fabulous little book by John Berger (1926-2017). The deceptively brief and simply written ‘notes’ (Berger refuses to signify them as ‘essays’) are rich fare indeed. You will encounter Rosa Luxemburg, Albert Camus, Charlie Chaplin, Roscoe Arbuckle, Michael Quanne, Rembrandt, Berger himself and many more cultural, political and artistic icons.

Then we meet Janine, a hitherto anonymous Polish woman who was Berger’s friend. She was seemingly unremarkable in that remarkable manner by which the stoical survivors leave their mark and thwart the intentions of those who would see them erased from history. She was one of the quiet revolutionaries who, simply by daring to be, committed an act of resistance. ‘Daring to be.’ What a world of unacknowledged heroism sings in those words.

Art

Although John Berger is probably best known for his writing he is, first of all, an artist, and *Confabulations* is enhanced by the judicious inclusion of some of his art. His words are very painterly. He has an acute eye for form and colour and a voice that translates artistic perceptions into words for the rest of us. And we are inspired to look at the world anew.

“Facebooks without end but no horizons.”

Just one of many memorable phrases, this time in response to the art of Rostia Kunovsky. With a soundtrack by Tom Waits.

“The glimpses are like what you catch sight of at street level: a bit of blue sky, the potted flowers carefully arranged on the miniscule balconies which the apartment windows give on to, a bright set of puff garments on display in a store window.”

As well as vision, artists like Kunovsky have the wherewithal to realise their vision.

“He has the kit of a graffiti artist and the eye of a master.”

But, in looking at the world anew, we must also see that the world is now dominated by “The totalitarian global order of Financial Speculative Capitalism”. The sloganizing jars. Then I recall news of Bitcoin on the futures market. A virtual currency whose only real use so far has been to facilitate drug dealing and arms trading on the dark web is now deemed a suitable financial asset for hedge funds to gamble our futures on. The language may be ugly and graceless. But so is the world beyond all artistry.

Picasso enters the debate. He painted to show artistic solidarity with the struggle in [Algiers](#). Berger reports that Les Femmes D'Algiers has now sold for \$180 million.

Language and Politics

Art is compromised and so is language. In three pages Berger's critique of the state of our language of politics and public discourse is absolutely devastating. Berger argues that globalisation has made politics irrelevant, but politicians carry on as if they still matter. They use words that do matter like terrorism and democracy. But they empty them of all meaning. We live in a world of information that mostly refers to human suffering, describing events without context. The news is a meaningless series of shocks and disasters that hammers home our powerlessness. The media, when it does try to explain, can only do so in abstractions of statistics and data from which people and values and hopes and regrets have been banished.

Dare to Hope

Meanwhile the planet is dying, and dystopia is becoming a way of life for millions. We need to fight and the will to fight is there. Berger is not giving up yet. But how to fight back when global capitalism has mastery of traditional roads to change like parliamentary democracy? We want to fight yet we do not know how. We lack the kit. We need to develop our own mastery. And at the end of Confabulations Berger offers hope.

“Then, sustained by what we have inherited from the past and what we witness, we will have the courage to resist and continue resisting in as yet unimaginable circumstances. We will learn to wait in solidarity. Just as we will continue indefinitely to praise, to swear and to curse in every language we know.”

[This article originally appeared online](#)





It can be difficult to maintain a commitment to socialism when all around the world seems to be lurching to the right. You either have to be very stubborn or very principled. Perhaps even stubbornly principled.

Being a socialist has, for as long as I know and far longer than I can remember, been a minority sport. So we grab at every sign that things are turning our way, and, inevitably I suppose, turn on one another when they are not.

If you do want to see a socialist society, and let's be honest something more than social democracy is now not just a nice idea but a requisite for the world actually surviving, then you have to be prepared to be in for the long haul.

We live through bad times in order that we may eventually see good times. People think that all kinds of things will lead to a resurgence in progressive politics, but are often disappointed when ordinary people show what appears to be total indifference to others suffering or to the fact that those who are responsible for their oppression demand their subservience and reinforce it both through their control of the state and through constant propaganda.

The illusion that we live in a free society is a convenient myth that generations of charlatans have used in order to maintain their privilege and power. This is becoming more and more apparent to many of us, but not to enough of us.

A 2020 YouGov poll found, for example, that 84% of BAME people thought that the UK was racist. Perhaps the surprise is that the figure is that low. In what way, can we be a free society if people's opportunities are determined by the colour of their skin, or their ethnic origin?

Similarly, a report by the Centre for Ageing Better found that the perception of older citizens

is that they are "incompetent, hostile or a burden on society". What kind of society treats its elders in such a way. Respecting the elderly could be done if only out of self preservation. The only way to avoid being elderly is to die young and I know which one I prefer.

Being socialist means that mostly we are swimming against the tide. We believe in a society that requires people to change. As Marx put it in the 18th Brumaire of Louis Bonaparte from 1852: "Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past."

In other words, we make our own chances but not in conditions that we choose. Society appears as an immovable object. Yet, society is constantly evolving. Why should that evolution simply be to find new ways of making profits so that a few can live lives of luxury whilst turning their eyes away from the suffering and misery of the millions left behind.

Of course, it's not just humans that suffer. The drive for industrialisation has wreaked absolute havoc on the natural world wiping out entire species and in the process bringing the planet closer and closer to oblivion. In fact the planet will probably survive despite humanity's best attempts at destroying it. What will not survive is the human race unless it is prepared to change.

There is simply no logical reason to think that we cannot change, but if it is true that the changes have to be 'profitable' then maybe we need to rescue the idea of profitability away from the accounting version and see profiting as something that is about changing people's lives for the better. That something profits humanity could mean it makes life better for people not just that it creates more conspicuous wealth, more commodities, more pollution, more misery.

Socialism isn't a pie in the sky utopian dream. It never was. It is the only hope that humanity has of survival. That's why we continue to argue and fight for what we believe and why too much of what we are obsessed with clearly does not really matter.

Dave Middleton

PS I would like to thank all those who continue to make The Sunday Socialist possible by giving freely of their time, energy and commitment. If you would like to be part of this then drop an email to:

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