



THE ANVIL



MACG

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Free

INFLATION EXPLODES



Credit: Twitter/Steve Garelick

The trend of government departments and capitalists to severely underestimate inflation in Australia continued with the announcement on October 26 that inflation had risen to a whopping 7.3%.

Back in June, the Fair Work Commission's decision on the minimum wage was released. Their report was based on the expectation of inflation gradually rising and hitting a peak of 7.8% by December, before quickly falling in the new year. Having weighed up the considerations of various groups representing big business, as well as the timid counter-proposals of the ACTU, a decision was reached to raise minimum wage rates for those below \$869.60 per week by 5.2%, and those above it by 4.6%.

This pitiful result (which barely kept up with inflation at the time) was quickly out of date. Now, with a general rise of prices

of 7.3% (and bound to go higher), it is nothing short of class war.

When the bosses and politicians sit back as inflation shows no signs of slowing, they are cutting the purchasing power of our wages, and condemning the poorest workers to precariousness and poverty.

For now, it seems their plan is to simply watch as the Reserve Bank of Australia cranks up interest rates (i.e., increases the cost of borrowing money). For those lucky enough to have bought a home, this means rising mortgages. For businesses, this means less investment - and that's exactly the point. Many capitalists are now openly calling for central banks to intentionally induce a recession.

Why would capitalists prefer a recession to runaway inflation? Capital is worried about inflation for many reasons, but most important is the fear of class struggle and a price-wage spiral.

Currently, Australia has a 'tight labour market', meaning workers have more job options than usual. Because of this, bosses have to adjust to the pressures of workers being more willing to quit, or even to organise and demand higher wages, so that they can pay for rising rents, utility bills, and other price hikes. To maintain

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VICTORIAN ELECTION 2022

The Victorian State election will be held on 26 November. The Melbourne Anarchist Communist Group is not participating, of course, but the occasion provides an opportunity to reflect on capitalist democracy, on how to build a movement to change society and how not to build it.

Capitalist democracy exists because the capitalist class is too big to meet in a single palace. They need Parliament and democratic rights to work out what they themselves think. Working class struggle has extended those rights to the whole population, but the capitalists don't greatly mind, provided government policy is overall tolerable. They have also learnt the great propaganda value of a Parliamentary election with universal suffrage. Public opinion is an unruly beast, but it can often be kept within capitalists' parameters by the mass media. Freedom of the press is an excellent thing, but under capitalism, it is restricted to those who own one.

The last Victorian election was in 2018. Labor presented themselves as mildly progressive neo-liberals, while the Liberal Party ran hard on law and order. Unfortunately for the Liberals, the previous year their leader had sat down to lunch with a well-known alleged Mafia figure. The Lobster with a Mobster affair exposed their campaign as a racist beat-up and they were thoroughly trounced. Labor won its biggest ever victory in Victoria.

Four years later, opinion polls predict a similar result. Labor has mostly performed to the satisfaction of the capitalist class in Victoria. The Liberals, whose sole reason for existence is to represent Big Business, are lost and flailing around for a strategy. They are beset by internal divisions because they are being taken over at their grassroots by religious reactionaries,



Credit: heraldsun.com.au

keen to foist policies on them the vast majority of the population reject.

Most people who want something better than what Labor is offering support the Greens, who offer policies usually better than the major parties. But the Greens suffer from a disqualifying illusion. They believe a just and sustainable capitalism is possible. Consequently, they are incapable of carrying out reforms that capitalists strongly oppose. And when particular reforms are burning necessities for the working class, workers need to look elsewhere.

The most prominent group to the left of the Greens in this election is the Victorian Socialists. They offer a 21st Century version of what Parliamentary socialists had over a century ago: a minimum program of demands, mostly supportable but often stopping short of what's needed, plus a rhetorical commitment to an eventual goal of socialism.

Unlike some Anarchists, the MACG is prepared to concede it's possible to enter a capitalist Parliament with honest intentions and even do a little bit of good, but that's still a very long way from justifying running for election. An honest socialist in Parliament would need to refuse confidence in all capitalist governments, Liberal or Labor; oppose war expenditure or borrowings (not a factor in State elections); use the Parliamentary platform to

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INFLATION IS CUTTING OUR PAY! RANK AND FILE STRIKE ACTION NOW!

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their current rate of profit, capitalists will typically look to pass on the cost of paying higher wages to the consumer by raising the prices of their products... And so inflation rises again... And with it, the risk of demands for even *higher* wages!

But raising prices is not always possible – there has to be sufficient demand to buy the product at the new price. And here the capitalist is faced simply with a declining rate of profit, and therefore their very survival in the market.

Because of this, the ruling class are increasingly willing to intentionally induce a recession, and restore the power of capital over labour through high unemployment.

So where are things headed and how do we respond? The crisis in the UK is a warning of things to come, and the MACG believes that we should be looking at how the working class of that country is fighting back.

A grassroots direct action campaign called Don't Pay UK has been organised in response to soaring heating bills, with a non-payment strike set for December 1. As of today, 235,954 people have pledged to take part. But even before striking, British capital and politicians have taken notice. Leaked documents from the energy company E.ON show executives warning the British government of the “existential” risk posed by the strike, with projected losses of up to £265 million per month across the industry. Government action swiftly followed, with the then Chancellor of the Exchequer introducing a two year price cap of £2500.

This is the power of self-organised direct action - even under right wing governments! But British workers aren't just stopping at non-payment of bills. As in the US (and to an extent even here in Australia), there has been a very important uptick in strike action. A lot of attention is rightfully being given to the RMT rail strikes, and we wholeheartedly support their fight. But far less has been given to the rapid spread of wildcat strikes across Amazon warehouses back in August. It is worth quoting one of these workers:

“We only planned to go on strike two hours before it actually happened. We had seen the strikes at Tilbury and Rugeley fulfilment centres on TikTok ... and it inspired us to strike. [We] started spreading the idea of a walkout through word of mouth ... By 1pm, we had over 300 people who walked out ... At the beginning, we had no help with the strikes from any trade unions. We organised it all ourselves.”

Like the RMT struggle, the fight of the self-organised Amazon workers is far from over. But through their example, we can see the way forward for turning the class war back in our favour.

Victorian election 2022

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support working class struggles; attempt to secure worthwhile reforms without horse-trading other essential positions away; and explain to the working class that, no matter what reforms are secured through Parliament, socialism can only be achieved through workers' revolution. We have two main problems with VS in this election. Firstly, getting elected re-

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quires a massive amount of the time and energy of socialist activists, energy therefore not available to be used building grassroots workers' struggles. Electoralism doesn't build struggles, but lives off them. Some VS activities have built the struggle, but others haven't. One recent example is how VS built a counter-mobilisation against the “March for the Babies”, a rally by extreme Right wing anti-abortionists – but dispersed the demonstration before the Right turned up! This was an election stunt, not a contribution to the class struggle.

Secondly, VS don't meet the criteria we set out for honest socialists. While they pass most, they conspicuously fail the last criterion about being up-front with workers. The act of running for Parliament conjures illusions that a parliamentary road to socialism exists. We can get there, apparently, by electing enough socialists to Parliament. It is the duty of VS to dispel those illusions and explain socialism can only be achieved by workers' revolution. Workers need to take power into their own hands, not pass it to Parliamentary representatives. VS don't say that, but deliberately encourage the membership of people who do believe in Parliament. That's a deal-breaker. The Melbourne Anarchist Communist Group says it's not possible to lodge a principled vote for the Victorian Socialists in the one electorate where they have a slight chance of winning, the Northern Metropolitan province of the Legislative Council. We won't get to socialism through Parliament and VS won't get us any closer to it. We must build the struggle instead.



What is Anarchism?

Anarchism is a social philosophy based upon the principles of liberty, equality and solidarity. It is the political dimension of a free society.

What is Communism?

Communism is the principle of “from each according to their ability, to each according to their need”. It is the economic dimension of a free society.

What is the Melbourne Anarchist Communist Group?

The MACG is an organisation of class struggle revolutionary anarchists who share political positions, articulated in theory, strategy and tactics.

We aim to encourage struggle by the working class for its own interests and, within that struggle, we aim to advance Anarchist ideas as its necessary philosophical basis.

BUILD MOVEMENTS NOT ELECTIONS

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