tricity Commission came out on strike from midnight Aug. 28, to midnight Aug. 29, 1963. Their main demands were (1) 35-hr. working week, (2) 4 weeks annual leave and (3) 50% increase in marginal rates of pay. And the Victorian Electrical Trade Union's main case for these demands is that their New South Wales fraternity have already got these. As though this was their only justification!

However much socialists agree with strikes anywhere, we are rarely satisfied with the purpose and methods of the trade unions in the class struggle. We nearly always have good reason to believe that they remain after every class tussle still **relatively** worse off because they, (the trade unions), aim merely at **improving** their lot under capitalism and have no intention or will to abolish this final system of exploitation. We become intent upon searching out the classical catalyst of all social movement—the scorned, ignored, and forgotten element known to Marxists as social labor with its peculiar property of changing productivity. From the Year Book of Victoria 1962 we learn **how** the workers' position is relatively worsened by noting:

"Productivity and Costs"

"As a result of trends to high capacity equipment, improved methods and increasing mechanisation, productivity of operations tends to increase progressively. At Yallourn Open Cut productivity of labor increased from 24 tons per manshift in 1949-50 to 50 tons per manshift in 1959-60." And after paying for commodity labor power at its full value " . . . brown coal can be produced and delivered to bunkers . . . for approx. 8 shillings per ton including all overhead costs."

So in 10 years, productivity of labor has more than doubled in the coal mining operations. It is a fair bet that all depts. of the S. E. C. have, broadly, kept in step with this particular operation.

Then to retain the relative position they held 10 years ago, the S. E. C. workers would have to gain a 20-hr. working week and other conditions proportionately. Failing this, their present log of claims, even if granted, leaves them relatively worse off than in 1950 when one considers the increased wealth produced by their labors.

S. E. C. Myths.

In many instances, Union confusion is made worse confounded by their well meaning friends. The S. E. C. unions are no exception. The late Sir John Monash, Dr. of Eng., graduate in Arts and Law and also a Military Commander who loyally served his masters in the mud, blood and slaughter of the 1914-18 war, was, in 1920, appointed Gen. Manager of the S. E. C. Both in war and peace Sir John was known for his "General kindliness, his wide ranging and ready sympathy, and for his unfeigned interest in all that went on around him and his abiding love of life." (F. M. Cutlach, "War letters of General Monash.")

Also in strife and in the relative calm of industrial development there was never any evidence that Monash ever questioned his role as a highly paid executive officer in the service of a parasitic ruling class. It appears that his efficiency as a military commander or as gen. manager of the S. E. C. was never impeded by any seditious ideas dwelling upon the profit motive underlying all his energetic, capable activities in his masters' service.

The Communist Party of Australia seems to have a benevolent father image of the general. They inform us that:

"Sir John Monash had a reputation as a man with a social conscience who had no liking for vested interests and was able to successfully resist them in the formative days of the Electricity Commission of Victoria.

"In fact the original idea of the Victorian people (?) in approving the establishment of the state electricity undertaking was that the S. E. C. would supply the cheapest possible power at cost, without making a profit or loss" "Guardian" Aug. 8, 1963.

Many indeed are the well meaning and other not-so-well meaning people who believe in and perpetuate the popular fallacy that State capitalism is "a form of socialism." Lenin and Stalin in their time, and now their followers, down to this day defend the proposition that Russian State Capitalism equals Socialism.

All Labor Party supporters likewise believe it to be so, as do many Conervative governments and supporters who themselves organise and set up State Authorities, affect to see the bogy of Socialism emerging from out of their own tamed, trained and efficient creations.

Sir John Monash, regardless of his alleged dislikes of the investing class was in their pay in both war and industry. These were the PEOPLE who approved and financed war and electrical undertakings of Victoria. This State Authority contained exactly the same elements as private capitalism.

The State Electricity of Victoria, for example, increased its labor productivity by 100% in 10 years (Year Book 1962, Victoria); the primary industries of Australia, by 100% in 26 years ("Herald," July 13, 1963); and factory production by 100% in 16-20 years (an estimated average although no clear statistics appear to be available).

Every £100 of capital invested in the S. E. C. yields up its annual rate of interest as in every other capitalist industry. In practice the S. E. C. is even more efficient in extracting surplus value from its employees than any other similar mass of capital £300,000,000 in Australia).

Even the Communist Party of Australia, that self appointed champion of state capitalism, in bitter anguish draws attention to the alleged cruel captive conditions imposed upon the S. E. C. by vested interests as it persecutes this helpless benevolent giant state monopoly standing astride the nation.

"The S. E. C. has to borrow more and more money, and in line with increasing profits in private industry, interest rates have increased. Therefore, whereas in 1953, the S. E. C. paid £2½ millions interest, its annual report in 1961-62 shows it paid £14½ millions interest." ("Guardian" Aug. 8, 1963.)

In short, the S. E. C. machinery, exactly similar to any expanding capitalist enterprise, must develop its constant capital at a progressively faster rate than its variable capital (wages bill) in order to step up productivity of labor.

It can do this only as does any other capitalist concern by borrowing from those who have money, i.e., from their fellow money capitalists. It enters the money arena on the same terms as any other competitor and must meet the same obligations.

S. E. C. Surplus Value and Wages

The "Guardian" continues and quite correctly so. "The S. E. C. is well able to pay higher wages. Last year although it declared a loss of £700,000 it paid £14½ millions in interest to bond holders and set aside £10½ millions for depreciation."

Here correctly implied is the crux of the class war. Every increase or decrease in wages and labor conditions (all other factors remaining constant), means an opposing fall or rise in interest for Govt. bondholders. Assuming the S. E. C. electrical unions gain in full their modest demands, then surplus value tends to fall below the social average. Thereafter it becomes necessary for the S. E. C. to make an extra effort, in common with all capital components, to speed up the productivity of labor to higher levels again. Machine production is cheaper than high priced labor power. And so the cycle continues until we are back to where we came in but higher on the scale of social development and with capitalist contradictions becoming more and more pronounced.

If this is a reasonably accurate summary of Australian State capitalism, could the Communist Party agree that this may also be true of Russian State capitalism? For there too, rising productivity of labor is both a joy and a scourge in the same way it is in Australia and in every other capitalist country.

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CRITICS OF SOCIALISM

WE WELCOME YOUR VIEWS.