

## **Military Resistance 14F4**



[Thanks to SSG N (ret'd) who sent this in. She writes: "Only one in ten tell the truth."]

**Toxic Fish In Vietnam Bring  
Mass Resistance To A  
Thoroughly Capitalist  
Dictatorship:  
“Thousands Took To The Streets  
Of Hanoi, Ho Chi Minh City, Major  
Cities And Coastal Communities”  
Regime Tries To Crush Protests To  
Protect Poisonous Steel Mill Built By  
Chinese Corporation:**

# “Demonstrators Beaten By The Police”

## “Widespread Suspicion Of Corruption, Cover-Up And The Hidden Influence Of Foreign Interests At The Expense Of Vietnamese Livelihoods”



Ho Chi Minh City Stock Exchange is the largest stock exchange in Vietnam, located at the T-junction Vo Van Kiet and Nam Ky Khoi Nghia Street. Ho Chi Minh City was formerly known as Saigon. Photo: Wikipedia



“The Ho Chi Minh City Stock Exchange, with a Vietnamese version of Wall Street wildlife,” by Kris à Genève.

## Comment: T

If there are any idiots left babbling about “socialist” Vietnam, ignore them. They are no more worth listening to or talking with than their compatriots who wear aluminum foil hats to block messages from space aliens.

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June 9, 2016 By Richard C. Paddock, New York Times

NHAN TRACH, Vietnam

**Since a devastating fish kill blighted the waters along 120 miles of coastline in central Vietnam, hundreds of people are believed to have fallen ill from eating poisoned fish.**

Here in the fishing village of Nhan Trach, the squid that sustain the local economy have virtually disappeared. And a fishing ban has left hundreds of traps sitting unused on the beach and dozens of small fishing boats idle.

“We are so angry,” said Pham Thi Phi, 65, who operates a fishing boat in Nhan Trach with her husband and three grown sons. “If we knew who put the poison in the ocean, we would like to kill them. We really need to have an answer from the government on whether the ocean is totally clean and the fish are safe to eat.”

While the immediate cause appears to have been toxic waste from a nearby steel mill, fury over the episode has exploded into a national issue, posing the biggest challenge to the authoritarian government since a spate of anti-Chinese riots in 2014.

**Protesters demanding government action have marched in major cities and coastal communities over the past six weeks, escalating what had been a regional environmental dispute into a test of government accountability and transparency.**

But two months after the fish started washing up on beaches here, the government has yet to announce the cause of the disaster or identify the toxin that killed marine life and poisoned coastal residents.

**The government’s failure to respond and its previous support for the Taiwan-owned steel plant at the heart of the crisis have fueled widespread suspicion of corruption, cover-up and the hidden influence of foreign interests at the expense of Vietnamese livelihoods, a potent mix that challenges the legitimacy of Communist Party rule.**

“Quite simply, in Vietnam, human life is less important than the political life of the government and government institutions,” said Nguyen Thi Bich Nga, an activist in Ho Chi Minh City. “In this way, we can explain all that is unusual in this country.”

**The government has said little about the marine die-off while cracking down on the protests, which have been called every Sunday since May 1, when thousands of people took to the streets of Hanoi, Ho Chi Minh City and five additional cities.**

**More than 500 people have been arrested, and demonstrators have been beaten by the police.**

“The response by the government has been one of ineptitude,” said Carlyle Thayer, a Vietnam analyst at the Australian Defense Force Academy. He said the fish kill was the most serious environmental issue to confront the government in several years and reflected poorly on the government of Prime Minister Nguyen Xuan Phuc, who took office in April.

Last month, the Office of the United Nations High Commissioner for Human Rights urged the government to avoid excessive use of force, citing “increasing levels of violence” against the protesters.

But the protests have continued.

On Sunday, more than 1,000 people turned out in a coastal district of Nghe An province, north of the steel plant, to demonstrate. Many wore T-shirts bearing a fish skeleton. Some carried signs reading, “Fish need clean water, citizens need transparency.”

**“It seems the government tries to cover up for the culprit,” the Rev. Anthony Nam, a Catholic priest and protest leader in Nghe An, said by telephone. “We will protest until the government says what caused the spill.”**

In Nhan Trach, about 40 miles south of the steel factory, the dead and dying fish first appeared in early April, floating in the surf and washing up on the beach. Initially, it seemed like a windfall, and many people here ate and sold them.

**The fish kept coming, tons of them, day after day for more than a month, residents said.**

**“Some of the fish were dead; some were dying,” said Ho Huu Sia, 67, who buys and dries fish for a living. “We ate the fish that were still alive. We ate the fish for two weeks.”**

**His daughter, Ho Thi Dao, 32, said she became ill, experiencing vomiting, diarrhea, headaches and dizziness. She went to the local clinic and received intravenous fluids. She said she met others there who also suffered poisoning.**

**“I ate the fish and got poisoned,” she said. “Many people got sick like me.”**

**Belatedly, the government announced that aquatic life had been poisoned along the coastline of four provinces. Authorities warned people not to eat fish and ordered a halt to fishing.**

As compensation, officials distributed bags of rice and gave fishermen 50,000 dong, or about \$2.20.

“We are just sitting with tears running down our cheeks looking out at the ocean,” said Phi, who has been fishing from Nhan Trach all her life. “What can we do with 50,000 dong?”

**Coastal residents and journalists quickly identified the culprit as the Formosa Ha Tinh Steel plant, which opened in December.**

**According to news reports, the fish kill happened after the factory washed unspecified cleaning chemicals through its wastewater pipeline.**

**A company representative seemed to confirm the suspicions in April when he said it would not be surprising if the factory’s wastewater harmed marine life.**

**“You have to decide whether to catch fish and shrimp or to build a modern steel industry,” he told reporters. “Even if you are the prime minister, you cannot choose both.”**

His comments incited a flurry of criticism on social media and spawned a popular hashtag, #ichoosefish, which has become a protest slogan.

The company later insisted that it met Vietnam’s environmental standards and said that the spokesman had been fired. Company officials did not respond to requests for comment.

The government has been just as reticent.

At first, the government suggested a toxic algae bloom was responsible. In mid-May, Pham Cong Tac, deputy science and technology minister, told Vietnamese news outlets that the ministry had a “convincing scientific basis” to explain the fish deaths, but he did not disclose what it was.

Last week, Mai Tien Dung, minister and head of the government office, said that the authorities had identified the cause but indicated that officials could not tell the public because an investigation was continuing.

“The work of identifying the cause of the dead fish is also related to identifying the culprit,” he told reporters. “This not only needs scientific evidence but also complete evidence of a legal violation, especially of environmental law.”

The lack of information has only fueled the protesters’ anger.

Villagers say authorities collected water samples immediately after the episode, and foreign experts say test results should have been known within days.

**Nguyen Hoang Anh, a university professor in Hanoi, said the government should have immediately revealed the toxin, especially to the poisoning victims and their doctors.**

**“It’s not fair,” she said. “It’s not ethical. It’s a crime.”**

She said the cover-up had the potential to make the fish kill Vietnam's Chernobyl, the 1986 nuclear disaster that contributed to the unraveling of the Soviet Union.

That is what the government most fears, analysts say, and it is why it acts quickly and at times brutally to suppress protests before they ignite a popular uprising.

**But critics say the government has another motive for wanting to bury the controversy.**

**The government has supported the steel plant, giving the company a sweetheart deal, including tax incentives and a bargain price for the property, to build on the coast.**

The company, a subsidiary of the Formosa Plastics Group, paid \$4.3 million for a 70-year lease on 8,150 oceanfront acres, according to Vietnamese news reports. That is about \$530 an acre.

To clear the site for construction, the government relocated nine communities with more than 14,000 people. In 2012, the prime minister at the time, Nguyen Tan Dung, attended the groundbreaking ceremony for the project, which includes a seaport and a power plant.

**"Some important people in the government made a corrupt deal to put the factory there, and it is therefore partly responsible for the spill," Huynh Ngoc Chenh, former editor of the Thanh Nien newspaper and a prominent blogger, said in an online interview.**

**"So it can't easily blame Formosa or take responsibility. So it is saying nothing and cracking down on protests."**

Two years ago, while the factory was under construction, it became a prime target of the riots over China's placement of an oil rig in waters off Vietnam in the South China Sea. More than 200 factories owned by Chinese and other foreign companies were looted and set ablaze around the country.

But the worst rioting occurred at Formosa, where four people were killed. The company is based in Taiwan, but thousands of imported laborers from mainland China were building the factory. Protesters stopped buses, pulled off Chinese passengers and beat them.

Authorities have been more careful not to let the current protests get out of hand. But even if they can be quelled, the economic costs have continued to mount.

On a recent morning, more than a dozen fish traders gathered at a drink shop across from the beach here. A few played board games, and others joined in a spirited game of cards. There was nothing to do but kill time, one said.

Around the corner, Phan Dinh Son, 49, sat at a table in his all-too-quiet open-air shop. He used to sell hundreds of blocks of ice a day. Now he sells about 20, he said. A separate business buying and trading shellfish has been suspended because no one wants to eat local fish.

“The fish market is empty,” he said. “I would hope the government and the party would come up with a solution and give a clear answer so we can do our business.”

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## **AFGHANISTAN WAR REPORTS**

# **Watchdog Says Recent Taliban Gains Threaten Costly Afghan Reconstruction: “The United States Has Wasted Billions Of Dollars In Reconstruction Aid During The Past Decade”**

June 09, 2016 Radio Free Europe/Radio Liberty

The U.S. government’s top watchdog on Afghanistan says the United States has wasted billions of dollars in reconstruction aid to Afghanistan during the past decade -- and renewed Taliban militancy now threatens the gains that were made.

John Sopko, the special inspector-general for Afghanistan reconstruction (SIGAR), told Reuters on June 9 that “too much money was spent in too small a country with too little oversight.”

Sopko also said: “If the security situation continues to deteriorate, even areas where money was spent wisely and gains were made could be jeopardized.”

A series of reports by SIGAR conclude that nearly \$113 billion appropriated by the U.S. Congress for Afghan reconstruction since 2001 has been plagued by corruption, waste, and mismanagement.

Appointed by President Barack Obama nearly four years ago, Sopko also said the planned drawdown of U.S. troops from Afghanistan could exacerbate the problems with reconstruction aid and add to the amounts already wasted.

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## **Resistance Action:**

# “A Considerable Rise In The Number Of Insider Attacks During Recent Months Amid Deteriorating Security Situation”



[Graphic: flickr.com/photos]

Jun 08 2016 By Khaama Press

The Taliban insurgents have executed at least 12 people the group captured from Ghazni-Paktika highway recently, local officials said Wednesday.

A security official in Ghazni confirmed that the dead bodies of 12 people shot dead by the Taliban insurgents have been found in Andar district.

The official further added that the identities of the deceased individuals have not ascertained so far.

**This comes as reports suggest that some of the hostages were members of the security institutions and were shot dead by the Taliban insurgents on Tuesday night.**

In the meantime, provincial governor’s spokesman for Paktika, Pir Khel, said at least five policemen went missing from the highway on Tuesday and it is yet not clear if they are among those executed by the Taliban insurgents.

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Jun 07 2016 By Khaama Press

At least 10 soldiers of the Afghan National Army (ANA) forces lost their lives in an attack by the Taliban militants in southern Uruzgan province of Afghanistan.

According to the local officials, the incident took place in a security post in Dehrawood district.

**A local security official speaking on the condition of anonymity said at least 121 soldiers are also missing following the attack.**

Earlier, a local official said the soldiers lost their lives in an insider attack carried out by their comrades in the check post in Dehrawood district.



Uruzgan is among the relatively volatile provinces in southern Afghanistan where anti-government armed militants are actively operating in a number of its districts and often carry out insurgency activities.

**At least 6 policemen lost their lives in an insider attack carried out by three of their comrades in Charchin district.**

**Earlier, a policeman killed his 8 comrades in a similar attack in a check post located on Kabul-Kandahar highway in Zabul province.**

**There have been a considerable rise in the number of insider attacks during the recent months which comes amid deteriorating security situation as a result of the Taliban-led insurgency.**

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Jun 07 2016 By Khaama Press

**A senior security official was killed in an attack by the Taliban militants in northern Sar-e-Pul province of Afghanistan.**

Provincial governor's spokesman Zabiullah Amani said Syed Ashrafuddin was killed along with the other security personnel accompanying him in Sancharak district.

According to Amani, Sharafuddin was the district security chief of Sancharak and was killed in the attack that took place in langar area.

He said three security personnel and two civilians including a child were also killed in the attack.

The Taliban group claimed responsibility behind the incident and said the district security chief of Sancharak was killed with his five security guards.

Sar-e-Pul is among the relatively volatile provinces in northern Afghanistan where anti-government armed militant groups are actively operating in a number of its districts and often carry out insurgency activities.

In the meantime, the Taliban militants are attempting to destabilize the northern provinces and have increased their insurgency activities in a number of the provinces including Sar-e-Pul, Faryab and Kunduz.

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## **IRAQ WAR REPORTS**

# **Despite U.S. Aid, Iraqi Army Seen As Exhausted And Ill Equipped To Retake Mosul From ISIS: “Delay Is Expected Despite American Efforts To Keep Iraq’s Creaky War Machine On Track”**

JUNE 4, 2016 By MICHAEL S. SCHMIDT and ERIC SCHMITT, New York Times. Falih Hassan contributed reporting from Baghdad.

WASHINGTON — An exhausted and ill-equipped Iraqi Army faces daunting obstacles on the battlefield that will most likely delay for months a long-planned major offensive on the Islamic State stronghold of Mosul, American and allied officials say.

The delay is expected despite American efforts to keep Iraq’s creaky war machine on track. Although President Obama vowed to end the United States’ role in the war in Iraq, in the last two years the American military has increasingly provided logistics to prop up the Iraqi military, which has struggled to move basics like food, water and ammunition to its troops.

Without the help, American commanders said, the offensive against Mosul would most likely fail.

Americans are ferrying equipment and spare parts directly to the battlefield by cargo plane, helping arrange purchases of ammunition for Soviet-era equipment and pressing the Iraqis to adopt measures to improve a supply chain that would run over 200 miles from Defense Ministry depots in the Baghdad area to Mosul. But no matter how hard the Americans push, the Iraqis can go only so fast.

The pace of ground operations is likely to become even slower in the summer’s searing heat and during the coming holy month of Ramadan, when Muslims often fast during the day. Much of the Iraqis’ equipment needs to be repaired or replaced, and many Iraqi units will require additional training before attacking Mosul.

“A lull won’t be sexy, but it’s the hard and important work that needs to be done to generate combat power,” said Col. Steven Warren, who until this month was the top American military spokesman in Iraq.

The logistical challenges are far from the only hurdles facing the United States as it struggles to deal with the complexities in Iraq.

Iran is supporting tens of thousands of Iraqi soldiers, police officers and Shiite militiamen who are preparing for an assault against the Islamic State in the Sunni city of Falluja in western Iraq, which has raised fears of a sectarian blood bath. Prime Minister Haider al-

Abadi of Iraq ordered the Falluja offensive over the objections of American advisers who urged him to focus on the bigger prize of Mosul, Iraq's second-largest city and the de facto headquarters of the Islamic State in Iraq. But after a series of Islamic State bombings last month killed hundreds in Baghdad, Mr. Abadi faced growing domestic pressure to stop the threat in Falluja, which is about 35 miles west of the capital.

The Iraqis have long struggled with their military organization, but the problem worsened in the summer of 2014 when the Islamic State seized wide swaths of territory in western and northern Iraq and stole much of the military's trucks and other equipment used to move troops and supplies.

Since then, American logisticians have been working directly with the Iraqis to try to improve their supply chain.

The problem has been complicated because the Iraqi military is made up of a mix of equipment and weapons from the Soviet era, the United States and elsewhere. The Iraqis rely on an antiquated maintenance system that sends broken equipment to Baghdad to be fixed, and they do not have an automated system for tracking their supplies.

American advisers have worked to overhaul the maintenance system, encouraging the Iraqis to develop the ability to do repairs closer to the battlefields. The Americans have also arranged for other countries in the coalition fighting the Islamic State to give or sell the Iraqis the ammunition and parts they need to keep their military functioning.

The Americans have also taken the lead in preparing detailed schedules for moving troops, training them, and delivering ammunition and equipment to the battlefield.

"As the Iraqis move farther away from their depots at places like Taji, they will have to adopt similar sustainment practices," Lt. Gen. Sean B. MacFarland, the top American commander in Iraq, said in an email, referring to a city just north of Baghdad. "To do this requires a good deal of reorganization."

"Extending the reach of the Iraqi security forces also requires logistics planning," General MacFarland said. "We are doing a great deal of that for the Iraqis because we recognize that Rome wasn't built in a day."

The Iraqis have had some success against the Islamic State since December. This year, for the first time since the fighting against the Islamic State began in August 2014, the terrorist group has not gained any additional territory. The Iraqis have reclaimed the city of Ramadi and several smaller cities in western and northern Iraq.

Backed by American-led air power, Iraqi forces have regained 45 percent of the territory the Islamic State seized in 2014, American commanders say, an increase from 40 percent at the beginning of the year. Bombing by Americans and other European countries involved in the fight, including the British and French, has halved the Islamic State's oil production and cut its revenues between 30 and 50 percent, American intelligence analysts say.

But the analysts have concluded that many of the areas that the Iraqis need to reclaim — including Mosul — will be more difficult to seize because the Islamic State has controlled them for a longer period and has heavily fortified them.

The Islamic State has roughly 19,000 to 25,000 fighters, about half in Iraq and half in Syria, Colonel Warren said. Most of the 10,000 to 12,000 in Iraq are concentrated around Mosul, in the Tal Afar area, and elsewhere in Nineveh Province.

The expected delay in the Mosul offensive highlights the frustrations of the Obama administration with the seesaw nature of the Iraqi ground campaign. But Mr. Obama and his commanders decided that it was better for Iraqis to control the tempo of the counteroffensive, even with its fits and starts, than for the United States to reclaim a leading combat role that Mr. Obama thought he had ended when he withdrew all American troops in 2011.

“Logistics is one of the things we are most concerned about, so we look to do everything we can to keep the timeline on track,” said Col. Christopher Garver, the United States spokesman for the coalition fighting the Islamic State in Iraq. “Yes, there’s a danger of things slipping to the right on the calendar, as we say, pushing into the future, but we have a whole team working to prevent that from happening.”

In interviews, Iraqi commanders in the Falluja operation acknowledged some of the challenges facing their troops, but they sought to discount the impact on their operations.

“We have a lot of experience fighting in the hot weather and are used to it, but, yes, fighting in the heat is a very difficult thing,” said Abdul Wahab al-Saaidi, the commander of military operations in Falluja. “The enemy in front of us is ISIS, and it is not an easy enemy and we don’t want to give it the impression that our fighters are getting tired in the hot weather. So no matter high the temperatures are, we will continue fighting until liberating Falluja entirely.”

The commander of operations in nearby Ramadi said the military would make some tactical adjustments because of the heat but not stop fighting altogether. “Let’s be frank: In Iraq, even if we go to market we get annoyed by the heat,” said the commander, Ismael al-Mahallawi. “But we must beat the heat and put the appropriate plans in place to get over it and continue operations. We will take advantage of the dawn times to attack.”

Asked for a description of the air campaign in the coming months, Lt. Gen. Charles Q. Brown Jr., the American air war commander, said he would keep the pressure on the Islamic State, even if the tempo of the Iraqi ground offensive eased.

“As the Air Force, we’re able to strike ahead of the ground maneuver,” General Brown said. “I know where the next fight is going to be. Then what I want to be able to do is actually soften up that with strikes ahead of the ground maneuver.”

**Military Resistance In PDF Format?**

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## FORWARD OBSERVATIONS



**“At a time like this, scorching irony, not convincing argument, is needed.**

**“Oh had I the ability, and could reach the nation’s ear, I would, pour out a fiery stream of biting ridicule, blasting reproach, withering sarcasm, and stern rebuke.**

**“For it is not light that is needed, but fire; it is not the gentle shower, but thunder.**

**“We need the storm, the whirlwind, and the earthquake.”**

**“The limits of tyrants are prescribed by the endurance of those whom they oppose.”**

**Frederick Douglass, 1852**

**“We have it in our power to begin the world over again.” -- Thomas Paine**

## **What Muhammad Ali Always Knew**



From: Mike Hastie  
To: Military Resistance Newsletter  
Sent: June 10  
Subject: What Muhammad Ali Always Knew

### **What Muhammad Ali Always Knew**

**I did not fight for my country.  
When I stepped into the ring called the  
Vietnam War, it was rigged from the  
very start.  
I lost, not because I threw the fight,  
but because I was never meant to win.  
The water bottle I drank from between  
rounds was poisoned with greed.  
I finally went down in the 12th round,  
not from a combination of punches to  
the head, or a powerful left hook.  
I was knocked out from a barrage of  
betrayal punches to the solar plexus**

of my soul.

A lot of money changed hands that night,  
because that is the way it is when you  
fight for your corporate country.

Mike Hastie  
Vietnam Veteran

Better to be in jail fed,  
than to be in Vietnam dead.  
Muhammad Ali

When I met Muhammad Ali in November 1985,  
I told him I loved him for not going to Vietnam.  
Rest In Peace  
MH

Photo and caption from the portfolio of Mike Hastie, US Army Medic, Vietnam 1970-71. (For more of his outstanding work, contact [hastiemike@earthlink.net](mailto:hastiemike@earthlink.net))

One day while I was in a bunker in Vietnam, a sniper round went over my head. The person who fired that weapon was not a terrorist, a rebel, an extremist, or a so-called insurgent. The Vietnamese individual who tried to kill me was a citizen of Vietnam, who did not want me in his country. This truth escapes millions.

Mike Hastie  
U.S. Army Medic  
Vietnam 1970-71  
December 13, 2004

**“In The Production Process More  
Labour Is Absorbed Than Is  
Bought”**

**“What Capital As Capital (Hence The  
Capitalist As Capitalist) Wants To  
Produce Is Neither An Immediate Use  
Value For Self-Consumption, Nor A  
Commodity To Be Turned First Into  
Money And Then Into A Use Value”**

# “Its Aim Is The Accumulation, The Expansion Of Value, Its Increase; That Is To Say, The Maintenance Of The Old Value And The Creation Of Surplus Value”

From Karl Marx, Theories Of Surplus Value; International Publishers; New York, 1952

In the actual production process labour is in reality transformed into capital, but this transformation is made possible by the original exchange between money and labour power.

Through this *direct* transformation of labour into *materialized* labour belonging not to the worker but to the capitalist, the money is first transformed into capital, including that part of it which has taken the form of means of production, of the conditions necessary for labour.

Up to this point the money is only in its nature capital, whether it exists in its own form or in the form of commodities (products of labour) of such a type as can serve as means of production of a commodity.

This definite relation to labour first transforms money and commodities into capital, and that labour is productive labour which, through this, its relation to the means of production — to which corresponds a definite relation in the actual production process — transforms money or commodities into capital; that is to say, maintains and increases in its value the *materialized* labour which confronts labour power as something independent.

Productive labour is only an abbreviated way of expressing the whole relationship and the form and manner in which labour power figures in the capitalist production process. But it is of the greatest importance to distinguish it from other kinds of labour, since this distinction expresses precisely the distinct form of that labour on which is based the whole capitalist mode of production and capital itself.

*Productive labour* is therefore — in the system of capitalist production — that which produces *surplus value* for its employer, or which transforms the objective conditions of labour into capital and their owner into a capitalist; and therefore labour which produces its own product as capital.

When therefore we speak of *productive labour*, we speak of socially determined labour, labour which implies a quite precise relation between the buyer and the seller of the labour.

But although the money which is in the hands of the buyer of labour power — or the supply of means of production and means of subsistence for the worker which he possesses in the form of commodities — first becomes capital through the process of



production, it is only in the process transformed into capital, and therefore these things are not capital before they enter into this process, but are only destined to be capital — nevertheless they are *in themselves* capital.

They are in themselves capital because of the independent form in which they confront labour power and labour power confronts them; a relationship which the exchange with labour power and the subsequent process of the actual transformation of labour into capital conditions and consolidates.

They have from the outset the *definite social relationship* to the workers which makes them into capital and gives them command over labour.

They are therefore presupposed to be capital in relation to labour.

*Productive labour*, consequently, can be so described when it is directly exchanged with money as *capital*, or, what is only a shorter way of saying this, labour which is directly exchanged with capital — that is to say, with money which in itself is capital, which is destined to function as capital or confronts labour power as capital.

The expression: labour which is directly exchanged with capital, implies that the labour is exchanged with money as capital, and thereby transforms it into capital.

The significance of the direct exchange will be seen more clearly in a moment.

**Productive labour is therefore labour which reproduces for the worker only the previously determined value of his labour power, but as a value-creating activity increases the value of the capital, or which confronts the worker himself with the values it creates as capital.**

In the exchange between capital and labour, as we saw in examining the production process, two essentially different though interdependent aspects have to be distinguished.

First: The first exchange between capital and labour is a formal process, in which capital figures as money and labour power as commodity.

The sale of the labour power takes place conventionally or legally in this first process, although the labour is paid for only after it has been applied, at the end of the day, the week, etc.

This in no way alters the transaction in which the labour power is sold.

What in this transaction is directly sold is not a commodity in which labour has already been realised, but the use of the labour power itself, and therefore in fact the labour itself, as the use of the labour power is its activity, labour.

It is therefore not an exchange of labour mediated through an exchange of commodities.

When A sells boots to B, both exchange labour, one labour realised in boots, the other labour realised in money.

But in the case we are dealing with, on one side materialized labour in its general social form, that is, as money, is exchanged against labour that as yet exists only as a power, and what is bought and sold is the use of this power, that is, the labour itself; although the value of the commodity sold is not the value of the labour (a meaningless expression) but the value of the labour power.

A direct exchange therefore takes place between materialized labour and labour power, which *de facto* resolves itself into living labour; that is, between materialized labour and actual labour.

The wage — the value of the labour power— appears, as explained above, in the form of direct purchase price, the price of the labour.

**In this first phase the relation between worker and capitalist is that of seller and buyer of a commodity. The capitalist pays the value of the labour power, that is, the value of the commodity which he buys.**

**At the same time, however, the labour power is only bought because the labour which it can perform, and undertakes to perform, is greater than the labour required for the reproduction of the labour power, and therefore expresses itself in a value greater than the value of the labour power.**

Secondly: The second phase of the *exchange* between capital and labour has in fact nothing to do with the first, and strictly speaking is not an exchange at all.

In the first phase there is an exchange of money and commodity — of equivalents — and worker and capitalist confront each other simply as owners of commodities.

Equivalents are exchanged (that is to say, it makes no difference to the transaction when they are exchanged and whether the price of the labour is above or below the value of the labour power or is equal to it. The transaction can therefore take place in accordance with the general law of the exchange of commodities).

In the second phase no exchange at all takes place.

The owner of money has ceased to be a buyer of commodities, and the worker a seller of commodities.

The owner of money functions now as a capitalist. He consumes the commodity which he has bought, and the worker supplies it, since the use of his labour power is his labour itself.

Through the earlier transaction the labour itself has become part of materialized wealth.

The worker performs it, but it belongs to the capital and is only just a function of the latter. It is performed therefore directly under the control and direction of the capital, and the product in which it is materialized is the new form in which the capital appears) or in which rather it realises itself *actu* as capital.

In this process, therefore, the labour materializes itself directly, is transformed directly into capital, after having already been formally incorporated in capital through the first transaction.

**And indeed more labour is here transformed into capital than capital was earlier expended in the purchase of labour power.**

**In this process a part of unpaid labour is appropriated, and only through this is the money transformed into capital.**

But although in this phase no exchange in fact takes place, the result, disregarding the intermediary stages, is that in the process — taking both phases together — a definite quantity of materialized labour has exchanged for a greater quantity of living labour.

This finds expression in the result of the process, in the fact that the labour materialized in its product is greater than the labour materialized in the labour power, and is consequently greater than the materialized labour paid to the worker; or that in the actual process the capitalist receives back not only the part of the capital which he expended in wages, but a surplus value which costs him nothing.

**The *direct* exchange of labour against capital here signifies**

**(1) the direct transformation of the labour into capital, into a material constituent of capital in the production process;**

**(2) the exchange of a definite quantity of materialized labour against the same quantity of living labour plus an additional quantity of living labour which is appropriated without an equivalent in exchange.**

The statement that productive labour is labour which is directly exchanged with capital embraces all these phases, and is only a derivative formula signifying that it is labour which transforms money into capital, which is exchanged with the means of production as capital, and whose relation to them therefore is not at all a relation to simple means of production, nor in its relation to the means of production is it labour in general, without a specific social character.

This statement covers

(1) the relation of money and labour power to each other as commodities, the purchase and sale between the owner of money and the owner of labour power;

(2) the direct subsumption of labour under capital;

(3) the real transformation of labour into capital in the production process, or what is the same thing, the creation of surplus value for capital.

Two kinds of exchange between labour and capital take place.

The first expresses simply the buying of the labour power and hence *actu* of the labour and hence of its product; the second, the direct transformation of living labour into capital, or its materialization as the embodiment of capital.

The result of the capitalist production process is neither a mere product (use value), nor a commodity, that is, a use value which has a definite exchange value.

Its result, its product, is the creation of surplus value for capital, and hence the actual transformation of money or commodity into capital.

Before the production process they were capital only in intention, in themselves, in their destiny.

**In the production process more labour is absorbed than is bought.**

**This absorption, the appropriation of another's unpaid labour, which is consummated in the production process, is the direct aim of the capitalist production process; for what capital as capital (hence the capitalist as capitalist) wants to produce is neither an immediate use value for self-consumption, nor a commodity to be turned first into money and then into a use value.**

**Its aim is *the accumulation, the expansion of value, its increase*; that is to say, the maintenance of the old value and the creation of surplus value.**

And it achieves this *specific product* of the capitalist production process only in exchange with labour, which is therefore called *productive labour*.

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## **DANGER: CAPITALISTS AT WORK**

**Some Venezuelans Are Doing Well:**

**“Black Marketeers Are Making A Killing By Reselling Subsidized Goods At Higher Prices”**

**“Political Insiders Have Privileged Access To Hard Currency, Which Has Cost The Country \$25 Billion”**

# **“Fewer Than Half Of Those Who Self-Identify As Leftists Believe That The Country Is Heading In The Right Direction”**

## **Comment: T**

Venezuelan material reality is that the relations of production are a variant of capitalism, despite nonsense to the contrary propagated by mildly radical commentators eternally looking for some hero to worship.

To be sure there are divisions within the ruling class of capitalists.

There are old, decrepit pre-Chavez sections of the local ruling class who still preserve some of their wealth and profits, or what remain during the current economic catastrophe. Against the regime, and pinched by it, they fear the reality of their diminishing share of national income, and a regime willing to both make deals with them, and use state power to trim their holdings and political position. Think Empresas Polar.

There are newly enriched sections of the ruling class, some in business partnership with regime personnel, amassing new wealth through regime favors. Some are in government, some private capitalists, some both. They feed on corruption.

There are the governmental capitalists proper, parasites emerging from the local petty bourgeoisie, who enrich themselves and their families from their commanding positions in the state, and who administer, in particular, the oil industry: state capitalists in the true sense of the term.

The effect is, as in all capitalist class formations: bitter competition, waste, inefficiency, greed, thieving and the determination of those on top to stay on top of the society and command what they regard as their personal share of national wealth, come what may: the entitled ones. Today, criminals fighting for command of a sinking ship.

All of these sections of the ruling class agreed, more or less, on a nationalist capitalism, attempting to diminish the amount siphoned off by the U.S. Empire, and thereby increase their own takings of the society's wealth.

The chaos produced is further complicated by movements from below, which, faced with mass misery now, demand more for the working class and the unemployed poor, and press the government to make good on the abstract socialist rhetoric it employs.

The governmental capitalists, in particular, are walking a difficult tightrope, fearful of working class movement from below threatening to overwhelm their state, as more sections of the working class, who have no control over the economy or the industries in which they work, see through the lie that there is “socialism” in Venezuela.

Hunger is a powerful teacher.

With the collapse of oil prices and income, the regime is no longer able to expend state capital in hope of reducing popular rage by satisfying some of the demand for better lives, compounding the crisis in economic relations becoming so obvious now.

While Chavez lived, and was perceived as a populist hero, especially as an opponent of the U.S. Empire, the crisis of Venezuelan capitalism described below could be kicked down the road.

Not now.

Capitalism worldwide is in crisis. Populist reformism isn't good enough anymore.

Venezuela is no exception.

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June 8, 2016 By John Feffer, Foreign Policy In Focus [Excerpts]

Venezuela is at the mercy of its fluids.

For a country that depends on oil for 95 percent of its exports, the prolonged drop in the price of crude has been a serious financial blow.

If nothing else, though, Venezuela should be able to use its oil resources to keep the lights on and the factories going. After all, Venezuela has the largest proven oil reserves in the world. It has more than Saudi Arabia. It has more than Africa, Eurasia, and Asia combined.

Only Russia and Iran are sitting on more overall energy resources.

But most of Venezuela's energy is slated for export or is hard to access. Not to worry: Some years ago, the country diversified its electricity supply to rely more on renewables. Hydroelectric power now supplies 60 percent of the country's energy.

Ordinarily, diversifying away from fossil fuels is a smart move.

But not when there's a drought, which the country experienced in 2010 and again even more devastatingly this spring. Thanks to a combination of El Nino and global warming, the dams are dry. The result: widespread power outages.

Even the best-managed government would have difficulties coping with these twin problems of oil and water. Venezuela is not blessed with such a government.

Nicolas Maduro, who took over from Hugo Chavez in 2013, has not been adroit in his handling of the crisis.

To retain public support, he's tried to keep consumer prices low and wages flowing by printing money and maintaining government subsidies.

As a consequence, the country has suffered hyperinflation, the highest in the world last year.

The economy shrank by nearly 6 percent in 2015 and is expected to contract another 8 percent in 2016. The country owes \$120 billion, with a \$7 billion debt repayment expected this year. Default is a possibility, though the government has gone to great lengths to meet its obligations.

**Some Venezuelans are doing well.**

**For instance, black marketeers are making a killing by reselling subsidized goods at higher prices. Political insiders have privileged access to hard currency, which one former government adviser estimates has cost the country \$25 billion.**

**Some of the corruption is even uglier.**

**High-level officials — including the former head of the anti-narcotics agency, the former speaker of the national legislature, various military officers, and two nephews of the first lady — have been charged with drug trafficking.**

Virtually everyone else in Venezuela is frantic.

The lack of food in supermarkets has created long lines and the prospect of widespread food riots. The crime rate has surged.

Government services, once the pride of the government of Maduro's predecessor Hugo Chavez, have practically disappeared, with government offices open only two days a week to save electricity.

A huge swath of the population is sinking into poverty as inflation and recession have eliminated the gains made during the Chavez years.

The medical system, with shortages of critical drugs, verges on collapse.

As New York Times reporter Nicholas Casey observes, parts of the country now look like a war zone:

“And these hospitals, they look like — they look like hell on earth, basically. You're seeing people on gurneys and on the floor in their own blood. One of the hospitals that we went to, there had been a number of newborn infants who had died the day before when there was also a power outage.”

President Maduro has reacted to this economic decline with bluster, nationalism, and his now routine reliance on ruling by decree.

As if soldiers can defeat global warming and economic mismanagement, he recently put together the largest military exercise in his country's history. His specific recommendations — for instance, that women should forgo blow dryers to save electricity — have attracted the ridicule of none other than late-night TV host John Oliver.

Last December, the political opposition to Maduro, a coalition of not terribly united parties, won the legislative elections. The elections, moreover, were free and fair. All of this seemed to disprove the contention of critics both inside and outside the country that Venezuela had departed from democracy.

Unfortunately, Maduro has gotten around these electoral results in a classic autocratic manner by declaring a state of emergency and then expanding and extending this period until at least the end of 2017.

The Supreme Court, which Maduro allies in parliament packed with supporters just before they lost control of the legislature in December, nullified the election results in Amazonas state and prevented the opposition from acquiring a sufficient parliamentary majority with which it could, for instance, remove Supreme Court justices. The court has granted Maduro his emergency powers and prevented the opposition from having much influence at all over the country's direction.

In early May, the opposition put together a petition demanding the removal of Maduro from power. Nearly 2 million people signed (out of a population of 30 million). Indeed, two-thirds of Venezuelans want the president to resign this year before his term is up. But even if the authorities validate the petition, organizers will then have to collect another 4 million signatures to trigger the recall referendum.

Meanwhile, street protests continue, but they're not as big as they were a couple years ago. Many people are worried about violence — dozens died in the 2014 protests — or are preoccupied with survival issues.

**Plus, a lot of people have voted with their feet. In the last 15 years, a million people have left Venezuela, and of those remaining, an astounding 30 percent of the population is making preparations to leave.**

Venezuela's descent into chaos owes much to factors beyond Maduro's control, such as the price of oil and the scarcity of rain. But Venezuela, under both Chavez and Maduro, failed to break its dependency on oil for its exports earnings.

Chavismo, though it pulled many out of poverty, also constructed an economic patronage system — or, rather, replaced the old patronage system with a new one — that guaranteed political loyalty but at the expense of building durable democratic institutions or a sustainable economy. Venezuela could have broken the resource curse — the convergence between resource wealth and corruption, mismanagement, and gross economic inequity.

Instead, Chavez redistributed the windfall profits from the oil industry and did little to prepare for the future.

**“Maduro Reached Out Quietly To Washington To See Whether He Could Benefit As Well From The New Good-Neighbor Policy. Washington Responded Positively”**

Maduro has pinned much of the blame for his woes on the United States.



“Washington is activating measures at the request of Venezuela’s fascist right,” he intoned recently. Washington has indeed applied sanctions against Venezuela, but they focus only on a handful of individuals. The United States also supported a coup against Hugo Chavez back in 2002, and the Obama administration would surely like to see a different team in charge in Caracas. But “Yankee imperialism” is not really a major contributing factor in Venezuela’s current crisis.

The great irony, of course, is that the Obama administration has expended considerable political capital in pursuing a rapprochement with Cuba, a country that’s had a more implacably hostile relationship with the United States for a much longer period. The U.S. Congress maintains an economic embargo against Cuba even as the two countries reestablish diplomatic relations. The United States and Venezuela enjoy very close economic ties, by contrast, but haven’t hosted each other’s ambassadors since 2010.

**In March 2015, a few months after the United States and Cuba announced that they would restore diplomatic relations, Maduro reached out quietly to Washington to see whether he could benefit as well from the new good-neighbor policy.**

**Washington responded positively, and a two-track set of negotiations began, with one track devoted to shared interests and the other to disagreements.**

A détente has yet to materialize.

Even though diplomatic relations between the two countries remain in limbo, business as usual has proceeded. Venezuela has major economic interests in the United States — including the Citgo refining complex in Lake Charles, Louisiana, and thousands of gas stations.

**Meanwhile, the United States is Venezuela’s largest trading partner, with 500 U.S. companies invested in the country.**

**Although Maduro suspects that Washington is plotting a coup, the Obama administration seems more worried of late about Venezuela becoming a failed state than Maduro maintaining his hold on power.**

The Obama administration has been quietly supporting Spanish efforts to mediate between Maduro and the opposition-controlled parliament, and has even been trying to rope in the Vatican, a key mover behind the Cuba détente.

No doubt Washington would prefer a more pliant partner in Caracas. But with Venezuela one of the top five suppliers of oil to the United States, Washington doesn’t want the country to disappear into the black hole of chaos.

In other words, the standoff in Venezuela today is not Chile 1973 all over again. It’s not the United States that has destabilized the Maduro government.

And Maduro is not a noble, idealistic leader, like Salvador Allende, who is trying to take his country in a bold new direction. If you want to see what the United States would look like after a dozen years of Trumpismo, behold Venezuela.

Fewer than half of those who self-identify as leftists believe that the country is heading in the right direction, according to a December Pew poll. Venezuelans of all persuasions want a change.

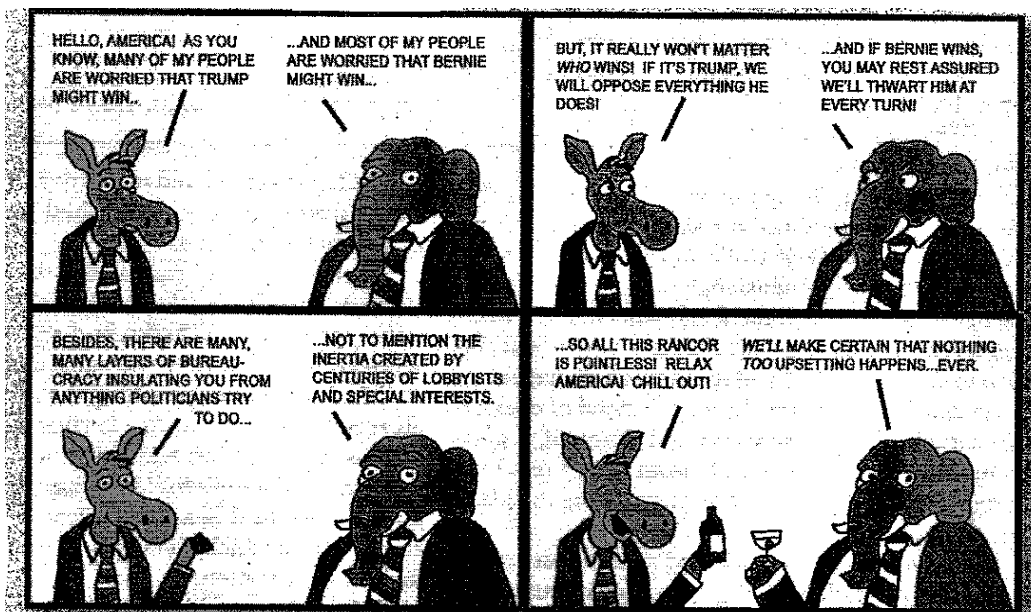
In a future column, I'll take a big-picture look at the Latin American left and what's happening in Argentina, Brazil, Chile, and elsewhere.

But the turn against Maduro has little to do with any rejection of the left.

Hugo Chavez is dead. Chavismo, which was more of a cult than a political ideology, is on its last legs. Before Venezuela succumbs as well, it's time for a radical restart in the land of Bolivar.

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## **DANGER: POLITICIANS AT WORK**



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## **Trump Says Making America Great Again Means Preventing The Nation From Being “Overrun By Mexican Judges”**

10 June 16 By Andy Borowitz, The New Yorker

Unless the United States builds a wall, Mexicans will swarm across the border, enroll in law school en masse, and eventually become biased judges, Donald J. Trump warned supporters on Monday.

At a rally in San Jose, the presumptive Republican nominee said that “making America great again” meant preventing the nation from becoming “overrun by Mexican judges.”

“We don’t win anymore,” he told the crowd. “We don’t win at judges.”

While Trump offered no specific facts to support his latest allegations, he said that he had heard about the threat of incoming Mexican judges firsthand from border-patrol agents.

“They see hundreds of these Mexicans, and they’re coming across the border with LSAT-prep books,” he said. “It’s a disgrace.”

In a line that drew a rousing ovation from supporters, Trump blasted Mexican leaders for their role in the crisis, claiming, “They’re sending us their worst people: lawyers.”

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**Comments, arguments, articles, and letters from service men and women, and veterans, are especially welcome. Box 126, 2576 Broadway, N.Y., N.Y. 10025-5657 or email [contact@militaryproject.org](mailto:contact@militaryproject.org): Name withheld unless you request publication.**

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