

# Labour Affairs

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## Davos – You're All Fired

Donald Trump has little use for NATO, and even less for Europe's political leaders. He is openly hostile toward European leaders, many of whom—almost without exception—did what they could to prevent his election as President. During his campaign, Trump made ending the war in Ukraine a central objective. European leaders, in contrast, have elevated the continuation of that war into an article of faith.

This infuriates Trump. It also puzzles him. Why, he asks, do European leaders insist on prolonging a war that no longer serves a clear strategic purpose? And, more importantly, why are they so determined to entangle the United States in this war?

European leaders have long argued that the war must continue because, if Russia wins in Ukraine, it is only a matter of time before it attacks other European countries. Trump regards this as nonsense. He understands the war in Ukraine was caused by NATO's eastward expansion. He knows that once a new security architecture is put in place that guarantees Russian security on its western border, Russia will have no interest in further expansion. He finds it ridiculous that European leaders suggest otherwise.

As a result, Trump despises European leaders. And precisely because he believes

Russia poses no threat to Europe, he sees little point in injecting significant money and energy into NATO. He assumes the United States will, for the most part, act unilaterally, outside NATO. That said, Trump is not the sole force in American politics. The military-industrial complex and the CIA may have different agendas.

Trump frequently argues that had he won the 2020 election, the Ukraine war would never have occurred. That is probably not true. For years, a central objective of US foreign policy in Europe had been to disrupt the increasingly close economic and political relationship between Germany and Russia. That relationship was symbolized by Nord Stream II. Had it continued, Germany—aligned economically with Russia—would have emerged as an extraordinarily powerful political, economic, and potentially military force. The United States was determined to prevent that outcome.

For the past 150 years, British foreign policy has likewise been focused on limiting German power. Britain fought two world wars to achieve this goal, yet Germany has consistently re-emerged as a power in Europe and the world. By the 21st century, it had become the dominant force within the EU, and its growing cooperation with Russia threatened to amplify that dominance even further. Britain was

therefore highly motivated to see that relationship ended.

Ukraine became the instrument through which this was achieved. In that sense, the United States and Britain have already “won” the war in Ukraine: the German–Russian relationship has been shattered, perhaps permanently. Trump understands this reality. While he cannot openly explain to Germans that this was the war’s true purpose, he certainly expects British leaders to grasp it—and to recognize that continuing the war makes little sense now that its primary strategic objective has been accomplished. He also expects European leaders to understand that, once Russia’s western border is secured, there is no realistic prospect of further westward expansion.

This context explains the extraordinary contempt evident in Trump’s 90-minute speech at Davos. From his perspective, European leaders are clinging to a pointless war while attempting to drag the United States into a conflict that could escalate into nuclear catastrophe if Russia feels its existence is threatened. His derisive remarks about several leaders—particularly Macron—were without

precedent. Starmer’s decision not to attend the conference was likely intended as a calculated insult, one Trump will not forget.

Britain undoubtedly sees an opportunity to become Europe’s leader as the United States withdraws. France may be prepared to accept this, but Germany is unlikely to do so. Furthermore, if it ever becomes widely understood in Germany that the primary purpose of the Ukraine war was yet another Anglo-American attempt to weaken Germany by severing its relationship with Russia, this could seriously jeopardize the entire European project.

If European leaders genuinely want to build a strong and independent Europe, the most direct path would be to repair relations with Russia and resume access to cheap Russian gas. There is, however, a fundamental obstacle to this outcome: Britain does not want a strong Europe—particularly one built on German strength and German–Russian cooperation. There is little reason to believe that Europe’s current leadership class either understands this dynamic or is prepared to confront it.

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## Labour Affairs

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# Sahra Wagenknecht's Newsletter - 22 January 2026

[In fact, what we publish below only gives you an inkling of Wagenknecht's newsletter, as the texts provide an introduction to video clips where she develops her views. But better than nothing.]

This is Sahra Wagenknecht's newsletter. In it, I provide regular updates on my activities and current political issues.

Attack on Venezuela, plans to annex Greenland, threats against Europe, boundless self-praise in Davos – Donald Trump makes no secret of his power interests and is thus ruthlessly destroying the lies that German transatlanticists have been living. Because, of course, it is a fairy tale that American foreign policy before Trump was on the side of good, morality and noble values, and that since Trump everything has suddenly changed... The selfless protective power of the USA never existed. But what does Trump want, what are the central motivations behind his policies? And how does he actually differ from his predecessors? In my latest weekly review, I talk about how hypocritical the reactions to Trump's imperial behaviour are and why Germany and Europe must finally end their subservience to the US.

## The real work-shy

While the federal government's policies are causing companies to relocate or go bankrupt in droves,

Chancellor Merz stands up and accuses employees of being to blame for the poor economic situation because they are allegedly lazy and overpaid. What an outrage! Instead of attacking the workers who get up every morning and keep our country running, the federal government should do its job and create decent conditions for the economy to recover. It is not the workers who are lazy, but the federal government that is incompetent!

## No money for Nord Stream terrorists!

For the first time, a German court has confirmed that Ukraine must be behind the attack on the Nord Stream pipelines. In a ruling on an appeal against detention by one of the Ukrainian suspects, the Federal Court of Justice stated that the bombing of Nord Stream was an 'act of sabotage on behalf of a foreign intelligence service'. In the court's view, this was not an attack on a legitimate target in the war against Russia, but an attack on Germany's civilian infrastructure and sovereignty: 'The acts of sabotage endangered the basic energy supply of the German population and affected the internal security of the Federal Republic.' How can it be that Ukraine commits an act of state terrorism against our energy infrastructure and the German government continues

to give Kiev billions in German taxpayers' money? I believe that the German government must no longer allow itself to be pushed around! No more taxpayers' money for weapons for Ukraine! Reopen Nord Stream!

## Merz now a 'Putin sympathiser'?

Russia is our largest European neighbour and a European country with which we should seek to find common ground? Chancellor Friedrich Merz has now apparently come to this remarkable realisation, for which the BSW has been criticised by politicians and the media for years. Better late than never, one might say. The only question is: what does this mean for the German government's policy?

## Sunday at 6 p.m.: Discussion with rapper Finch

With his song 'Kein Bock auf Krieg' (No desire for war), rapper Finch has taken a stand against conscription and militarisation. While this courageous statement spoke from the hearts of many young people who have 'no desire' to be conscripted into compulsory service or even sent to war as cannon fodder, it was also met with fierce criticism from some supporters of military service. What motivated the artist to take a stand against war and for peace? How does he deal with the intolerant culture of debate and stereotypical thinking that characterise the discussion of more and more political issues? As a native of Brandenburg, how does he view the often arrogant treatment of East Germany by politicians and the media? And why does he share the view that exclusion and speech bans are not the right way to deal with the AfD? I discuss these and other questions in my podcast with Finch, which will be available on my [YouTube channel](#) on Sunday at 6 p.m.

## Editorials and articles at our website, by subject, at

<http://labouraffairsmagazine.com/>

Also <https://labouraffairs.com/>

Check what we were saying in the late 1980s and early 1990s, which still reads well. Web pages and PDFs at

<https://labouraffairsmagazine.com/very-old-issues-images/>

Or by subject at <https://labouraffairsmagazine.com/very-old-issues-images/m-articles-by-topic/>

# The Russian Art of War

Reviewed by John Clayden

How the West led Ukraine to Defeat by Jacques Baud. Published by Max Milo, 2024

[On the occasion of the sanctions on Jacques Baud, we reproduce John Clayden's review of Baud's book, the Russian Art of War. First published May 2024.]

This book is both a useful synopsis of Russia's Ukrainian SMO (Special Military Operation) as well as a more general description of the shortcomings of western military thinking compared to present day Russian Military thinking. It also has an analysis which could be applied more generally.

There is a valuable introduction to the book with Jacques Baud on the Duran at <https://www.youtube.com/watch?v=RIzKxXR5pvA>. Or Google the Duran Jacques Baud.

Present day Russian military doctrine, Baud points out, is based on the philosophy of their Soviet predecessors except in their day it was seen in the wider context of a world-wide life and death class struggle against capitalism, that is until Khrushchev introduced the concept of Peaceful Coexistence in response to his perception of the threat presented by nuclear weapons.

The Russian Military Philosophy today, says Baud, is exclusively preoccupied with the defence of the Russian people and the Russian state. Baud explains this in the early part of the book and goes on to illustrate this by examining subsequent events.

Russian military thinking

breaks down into three categories within a framework of the ideas of Clausewitz and others - namely that war is the continuation of politics by other means. It attempts to adopt a holistic approach combining Strategy, Combined Operations and Tactics and it emphasizes different aspects at different times to achieve its desired end.

The strategy of the SMO was stated by Putin at the beginning as the demilitarisation and denazification of Ukraine.

Combined operations includes not only relationships within the military and with the government but also takes into account an assessment of the situation which exists worldwide.

Combined operations includes free exchange of ideas between all officer ranks to facilitate coordination. A tradition going back to the battle of Stalingrad perhaps before.

It should be noted that Russia's military education draws a lot on the events of the Great Patriotic War.

Russia has inherited a nationalised military industrial capability from the Soviets which can keep factories and their skilled workers and engineers in reserve until they are called upon. This is in contrast with the West whose industry is subservient to the neoliberal profit motive and "just in time." And would require government intervention, heaven forbid, to reactivate it to Russian levels.

The Minsk agreements demonstrated that Russia's ambitions were not territorial as they were content for the Donbass to remain in Ukraine so long as the wellbeing of its

Russian population was assured and the genocidal attacks would never happen again.

After the events of 2014 in Kiev, 20,000 of the 22,000 Ukrainian troops in the Crimea defected to Russia and removed their insignia. The little green men.

The Russian SMO was intended to bring about a negotiated settlement. The attack towards Kiev was a distraction to pin down the enemy and was never adequate to conquer the capital; the main thrust was to counter an imminent attack on the Donbass Russians. We know a negotiated settlement nearly happened and, as Baud points out, around that time polls indicated 50% of the population was opposed to war with Russia.

NATO, to remain a coherent force, has the need to have an enemy, as has been pointed out for many years in this journal, and a policy of cooperation would jeopardize it.

Current western propaganda that Russia is an imminent threat and wants to invade Europe is refuted (see pp 160-3) by the fact that the West has felt able to deplete its stocks of weapons by giving them to Ukraine and in the words of one MP the British army could only fight for five days.

The aim in Ukraine was to fatally weaken Russia on the cheap at the expense of Ukrainian blood. I recommend Baud's '*The Russian Art of War*.'

## Arbitrary Rule, Sanctions, and Jacques Baud

If people haven't noticed a tendency to shut down voices that challenge the official narrative whether it be on the situation in Gaza or Ukraine they must be hiding under the sheets. Whether you agree with these voices or not it's surely a condition of a healthy public discourse that such voices are allowed to be heard.

The EU has imposed sanctions on Colonel (ret.) Jacques Baud from Swiss intelligence for spreading "Russian propaganda" and the EU justifies this with the claim by Baud of Ukraine "orchestrating its own invasion in order to join NATO". In reality, Baud's crime was to quote Zelensky's former top advisor Oleksi Arestovych, who in this 2019 interview argued that the threat of NATO expansion would provoke a Russian invasion: "With a probability of 99.9%, our price for joining NATO is a big war with Russia". NATO would help Ukraine defeat Russia, and in victory, Ukraine could join NATO. The EU does not have counter-arguments to Colonel Baud, only sanctions. Welcome to the EU—where free speech comes to die.

This is the EU official site Sanction Trackers:

<https://data.europa.eu/apps/eusanctionstracker/subjects/180245>

The entry for Jacques Baud says:

"Jacques Baud, a former Swiss army colonel and strategic analyst, is a regular guest on pro-Russian television and radio programmes. He acts as a mouthpiece for pro-Russian propaganda and makes conspiracy theories, for example accusing Ukraine of orchestrating its own invasion

in order to join NATO.

The actual Act signed by Kaja Kallas runs as follows:

"Therefore, Jacques Baud is responsible for, implementing or supporting actions or policies attributable to the Government of the Russian Federation which undermine or threaten stability or security in a third country (Ukraine) by engaging in the use of information manipulation and interference."

The instrument allowing this is:

COUNCIL IMPLEMENTING REGULATION (EU) 2025/2568 of 15 December 2025 implementing Regulation (EU) 2024/2642 concerning restrictive measures in view of Russia's destabilising activities. The full text is at :

[https://eurlex.europa.eu/legalcontent/EN/TXT/PDF/?uri=OJ:L\\_202502568](https://eurlex.europa.eu/legalcontent/EN/TXT/PDF/?uri=OJ:L_202502568)

This is the legal document which sets out the sanctions regime against Baud and others.

With its latest package of sanctions, the EU has imposed sanctions on military historian and former colonel of the Swiss Army and the Swiss Strategic Intelligence Service as well as member of the Swiss General Staff Jacques Baud. Jacques Baud is a Swiss citizen living in Brussels. He is no longer allowed to leave Belgium, his assets have been confiscated, his accounts are frozen, his books can no longer be sold.

Jacques Baud has worked for NATO and the United Nations, among others. He is an irreproachable scientist and a man of honour. His books meet the highest standards of professional historical analysis. He works strictly neutrally according to the principle: both

sides must be heard.

It is not a crime to name the real reasons for the Ukraine war. It is not a crime to draw readers' attention to untruths and the EU's and NATO's own propaganda. It is not a crime to point out the thoughtless cooperation of the West with Ukrainian forces, which are dangerously close to fascists. The Council of Ministers of the EU is destroying the foundations of freedom of expression with arbitrary punitive measures against Jacques Baud and a total of 59 journalists and academics.

### Comment by Brave New Europe:

Jacques Baud Sanctioned without due process

<https://braveneweuropa.com/costas-lapavitsas-jacques-baud-and-the-demise-of-the-eu-as-a-liberal-project>

In late 2025, the European Union imposed sanctions on Jacques Baud, a retired Swiss colonel and former senior strategic analyst for NATO. The justification was openly ideological. Baud was accused of acting as a "mouthpiece" for pro-Russian propaganda and of disseminating "conspiracy theories" about the war in Ukraine. No criminal offence was alleged, and no judicial process was initiated. An individual was punished by executive designation alone.

The sanctions are not symbolic. They impose an asset freeze across the European Union, and a travel ban throughout the Schengen area. Because Baud lives in Brussels and publishes mainly through a French house, the measures immediately cut off access to bank accounts,

interrupt income, and criminalise routine economic relations with EU residents. Although the regulation allows minimal subsistence payments, the effect is to paralyse a person economically and professionally. This is punishment in all but name and a severe restriction of Baud's freedom.

None of this followed indictment, trial, or adjudication. There was no evidence tested before an independent court and nor was some standard of proof publicly applied. Put plainly, the EU has dispensed with the idea that coercive power requires judicial mediation and operates based on administrative designation alone.

This is not the familiar "democratic deficit" of a distant transnational order that lacks the legitimacy of a genuine demos. It is something more basic and more serious: the exercise of executive coercion without law. Administration has displaced adjudication, and naked authority has displaced justification.

That the Baud case represents a break can be seen by recalling another that once defined the EU's legal self-understanding. In the early 2000s, Yassin Kadi, a Saudi businessman, was placed on a UN terrorism sanctions list. His assets were frozen, his economic life extinguished, and no evidence was shown to him. When the case reached the EU courts, they ruled that this was unacceptable. Even sanctions adopted by the UN Security Council could not be enforced in Europe unless the targeted individual had access to the evidence and a real opportunity to defend himself before an independent court. Measures amounting to civil death could not rest on assertion alone. That was the EU's standard, but it has

been quietly discarded.

The legal basis for the measures against Baud is Council Implementing Regulation 2025/2568, adopted under the broader framework of Regulation 2024/2643. Since 2022, EU courts have accepted that restrictive measures may be imposed without prior due process on the grounds that advance notice would reduce their effectiveness. While some sanctions have been annulled for lack of a personal link, courts have shown extreme deference on the central issue of evidence.

It is probable that Baud's designation rests on some confidential file put together by European intelligence services. But that does not affect the substance of the case in the slightest. The real point is that coercive measures of this gravity are now imposed in the EU on the basis of material that is undisclosed, insulated from adversarial testing, and effectively immune from public challenge. EU citizens are asked to accept that the evidence is sound because the executive says so. This is not the rule of law. It is rule by assertion, reinforced by closed procedures and expedited review that shield executive claims from exposure.

[...]

The broader context is the EU's drift into permanent emergency. Crisis is no longer episodic but structural. Within this configuration, executive authority has concentrated at the European level, operating with increasing autonomy under Ursula von der Leyen, while democratic and judicial checks have withered in practice. The European Parliament has long been marginal. The Council of Ministers acquiesces, allowing

national governments to hide behind "European obligations" while avoiding responsibility at home.

The Baud case matters because it exposes the logic in its pure form. An individual analyst is sanctioned for his views, irrespective of their quality or political merit. The EU's coercive apparatus, developed for macroeconomic discipline and foreign-policy alignment, is also turned inward against dissent. The boundary between administrative power and personal liberty has been breached.

For decades, the European Union has presented itself as a liberal project grounded in the rule of law, human rights, and a "rules-based international order". The Baud sanctions expose the hollowness of that claim. A political order that retains the institutional forms of democracy, such as parliaments, courts, and treaties, while permitting the executive to punish individuals without law no longer meets even minimal liberal standards.

We are no longer confronted with merely the failure of European integration. What has steadily become apparent is the demise of the EU as a credible legal and political project. When an individual can be deprived of livelihood, mobility, and legal standing by executive designation alone, the law no longer protects the citizen. Indeed, the law is not even used as cover when the executive wants to hunt a citizen. The transition from a rule-governed polity to an arbitrary one is complete. That threshold, once crossed, is not easily uncrossed.

## Starmer's U-turn on Digital ID – does he really mean it?

By Steven Roy and Tom Darksen

The recent climb down by the Labour Government on the mandatory introduction of digital ID followed polling conducted after Keir Starmer's initial announcement of the scheme, showing that less than a third of the population were in support of it. Approximately three million people signed the Parliamentary Petition 'Do not introduce digital ID cards'. Opposition was also voiced in political circles, and from various civil liberties groups etc.

Many are sceptical that this apparent U-turn (one of several made by the government in recent months) is a PR stunt by an extremely unpopular government, rather than anything borne out of consideration for the rights and concerns of the rest of us.

The concern now is that instead of making it mandatory, the government will slowly streamline services to people who opt into using it. Before you know it, it could be virtually impossible to use anything without it. While it may be 'voluntary' in nature, in effect it will be mandated by making it impossible to do anything otherwise. Similar concerns exist with regard to the phasing out of cash.

It is expected that the system will be based on two Government built systems: Gov.uk One login and Gov.uk Wallet. Currently more

than 12 million people have supposedly signed up to One Login. Gov.uk Wallet has not yet been launched.

Significant personal data is also held by the NHS, which has for years been under threat from creeping privatisation. In 2023, Palantir were awarded a contract for the national rollout of the NHS Federated Data Platform (FP), a system for centralising valuable patient data from across different sectors of healthcare. An array of government agencies also hold data ranging from passport, driving, tax and other records.

Digital ID forms one of the cornerstones of Project 2030, and the framework for its introduction is set out in the Data (Use and Access) Act 2025. This may come as a surprise to most, since introducing digital ID has never formed part of any election manifesto and no one has ever voted for it. One could reasonably infer from this that it was always the intention to introduce use of digital ID by stealth.

Unlike other countries, Britain has never had an ID system. It was Tony Blair who first proposed introducing an ID system into Britain when he was the Prime Minister. People at the time were also strongly against it and it failed to gain any traction. The Tony Blair Institute is one of the biggest champions of digital

ID and the corporation that was chosen to implement it is run by his son.

When last year the current Government first announced the policy for digital ID, it argued that mandatory digital ID for workers would make it easier to clamp down on immigrants working illegally. One cannot help thinking that this was an attempt by Labour to jump on board Reform's vacuous 'stop the boats' narrative – an attempt to appeal to the undoubted concern amongst many about the levels of mass immigration and the failures of successive Governments to get on top of this issue.

Yet employers are already under a duty to carry out ID checks, and anyone who works or claims benefits requires a National Insurance Number. On top of that, with all the know your customer and anti-money laundering checks that banks are required to carry out, it is likely that it is only unscrupulous employers and criminal networks employing 'illegals'. Thus it is difficult to see how the introduction of digital ID will make any difference to the situation. Allowing the unchecked criminal behaviour of a small minority to shape what kind of society we live in is an abdication of a government's responsibility to its citizens. The case for asking everyone to give up their freedoms and civil liberties forever because

the country has lost control of immigration is a tenuous one.

The fear is that it will be used as a surveillance tool to monitor and control people's behaviour, to suppress dissent, including holding thoughts and opinions that run contrary to approved government narratives and then to punish people by preventing them from accessing things like banking and other necessary services, in effect placing people in a form of digital imprisonment.

Whilst some may still live under the illusion that such things could never happen in Western Democracies, the following recent events are worth noting:

Britain has the highest numbers of any country for arrests for social media posts, closely followed by Germany, where laws have been passed that prevent people from criticising their politicians.

Britain has been widely using the Terrorism Act 2000 to arrest, detain, question and incarcerate 'dissenting' voices, including journalists, politicians, ex-diplomats, doctors, ex-policemen and protesters.

British, European and US citizens have been sanctioned, debanked, or had their citizenship removed.

Since digital ID was rolled out in Ukraine, the country has been turned into an openly fascist dictatorship and a concentration camp for adult males, who are being rounded up and dragged off

by their government to fight and to die in their millions for NATO and to protect an internal corrupt, oligarchic elite. It is noteworthy that the Tony Blair Institute on its website, currently upholds Ukraine as a model for the introduction of a Digital ID system.

The British Government and much of the EU are calling for increased military spending and the conscription of their citizens to continue to fight their proxy war against Russia, having begun to run out of Ukrainians.

The genocide in Gaza, the extra judicial killings such as the pager attacks in Lebanon and the political and other assassinations, including of a large number of journalists, throughout West Asia were all data driven, using technology created by such companies as Palantir to target and murder people.

The handling of the COVID 19 crisis, in which amongst other things people were mandated to take experimental vaccines, has come in for much justified criticism and has eroded the trust that many had in government.

There is a fundamental opposition to digital ID based purely on the concept that considerations of freedom and liberty within a society must always outweigh any perceived technological benefits and cost and other efficiencies. This is especially so because technology increasingly has the ability to control all aspects of our

lives and to potentially create a 1984 digital dystopia.

The hurdle is for the government to create the necessary conditions of trust and confidence between itself and its citizens. This requires that the government be honest, upfront, forthright and competent and to put people at the heart of everything that it does. Yet the perception, at home and abroad, is that we have a political system instead that is based on mediocrity, incompetence, deception, PR and keeping people uninformed and in the dark from cradle to grave, duly assisted by a compliant media.

There is an increasing belief that the government does not actually represent the true interests of ordinary people or indeed of the country. As has already been alluded to, the conditions where fundamental individual freedoms and liberties are under attack like never before already exist. Additionally, the stealth tactics employed to date by the government and referred to above do not exactly instill any trust or confidence whatsoever.

This government and those succeeding it have a mountain to climb before digital ID should even be contemplated. However, without an ongoing push-back from the people, the process towards bringing in digital ID could still become unstoppable.

## Palestine Links

[Egypt says it's ready to send aid, receive wounded once Rafah crossing reopens \(Middle East Eye, 29 January 2026\)](#)

[Iran's battle for survival is the Arab world's fight too \(David Hearst, Middle East Eye, 28 January 2026\)](#)

['I cannot help my clients': The impossible task of representing Palestinian detainees \(Lee Mordechai & Liat Kozma, +972, 27 January 2026\)](#)

[UNRWA HQ in East Jerusalem set on fire after Israeli demolition \(Mera Aladam, Middle East Eye, 26 January 2026\)](#)

[Across the West, speaking for Palestine is now a crime \(Ali Abunimah, Electronic Intifada, 25 January 2026\)](#)

[Israel massacres children, journalists in Gaza during "ceasefire" \(Nora Barrows-Friedman, Electronic Intifada, 23 January 2026\)](#)

[UK confirms phone call between Cameron and ICC's Karim Khan \(Sondos Asem & Namir Shabibi, Middle East Eye, 22 January 2026\)](#)

['Impunity won't last forever': What gives UN Special Rapporteur Francesca Albanese hope \(Samah Salaime +972, 21 January 2026\)](#)

[Trump's Board of Peace: billionaires, cronies and genocidaires \(Ali Abunimah, Electronic Intifada, 21 January 2026\)](#)

[A year after their expulsion from the Jenin, Tulkarem, and Nur Shams camps, refugees wait not only to return, but to reclaim the rights the camps preserved \(Majd Jawad, +972, 19 January 2026\)](#)

[Tony Blair Should Be on Trial for War Crimes, Not Running Gaza \(Mehdi Hasan, Zeteo, 17 January 2026\)](#)

[Avi Shlaim, the Israeli professor that the BBC won't interview \(Declassified, 16 January 2026\)](#)

[The calculated erasure of Ras Ein Al-Auja in the Jordan Valley \(Oren Ziv, +972, 16 January 2026\)](#)

[Babies die of hypothermia in Gaza as Israel blocks shelters \(Nora Barrows-Friedman, Electronic Intifada, 16 January 2026\)](#)

[Slow genocide: Death and displacement continue in Gaza months into ceasefire \(Maha Hussaini, Middle East Eye, 15 January 2026\)](#)

[Israeli media reveals final draft of bill to execute Palestinian detainees by hanging \(Quds News Network, 13 January 2026\)](#)

[Why I filed criminal charges against Switzerland's former top cop \(Ali Abunimah, Electronic Intifada, 13 January 2026\)](#)

[Fate of Gaza's disappeared remains unknown \(Khaled El-Hissy, Electronic Intifada, 13 January 2026\)](#)

[Israel massacres children in Gaza tent shelters \(Nora Barrows-Friedman, Electronic Intifada, 9 January 2026\)](#)

[Israel is 'restoring governance' to the Negev — by terrorizing Palestinians \(Oren Ziv, +972, 9 January 2026\)](#)

[Genocide isn't a mistake. Which is why the media can't tell you the truth about Gaza \(Jonathan Cook, 9 January 2026\)](#)

[Why Israelis are leaving in record numbers: over 150,000 citizens have left the country in the past two years alone \(Hila Amit, +972, 7 January 2026\)](#)

[BBC's pro-Israel training is nothing new \(Martin Asser, Electronic Intifada, 7 January 2026\)](#)

[Swiss court rules Ali Abunimah detention was illegal \(Ali Abunimah, Electronic Intifada, 6 January 2026\)](#)

## Notes on the News

By Gwydion M. Williams

### **Twilight of the Baby Boomers Trump – Not For All Mankind Iran – Another Failed Colour Revolution Global Warming as Regional Freezing Kiev's Greed Causes Its Suffering 'White Traitors' in the USA? Cosmopolitan Canada China Keeps Cleaning Up**

#### **Twilight of the Baby Boomers**

'Reform' is less of a threat than most people think. It gets some disappointed Labour voters, but the latest YouGov poll shows that they are mostly disappointed Tories.<sup>1</sup> That the young are trending strongly left.

A 2022 survey by the *Financial Times* found that Millennials, born between 1981 and 1996, are not drifting to the right as they get older.<sup>2</sup> Hopeful, at least for Britain and the USA. But it is a small consolation after decades of a strong drift to selfish and asocial right-wing politics by the Baby Boomers: people born between 1946 to 1964.

My own generation, I was born 1950. But I've been saddened to see them so keen to demolish the kindly Britain we grew up in.

We wanted the rules of sex relaxed – though many thought at the time that male homosexuals were just tolerated deviants and should stay 'in the closet'. I must confess it took me time to see this was wrong.

I was not wrong in rejecting the widespread view that drugs were safe.

The main point is that most of us saw the state as a nuisance: something that senselessly

got in the way of our freedoms. So when we became tax payers, a greedy majority were increasingly unwilling to pay for later generations to have all of the economic benefits that we had had.

Under Thatcher, a sudden rise in unemployment did not bother them. In our generation, you had to be pretty hopeless not to get a job. Or else choose to live in one of the few areas of high unemployment: as a student at Bangor North Wales I saw many who chose that once they got their degrees, or failed to get them,

The fact that later generations were finding it harder or impossible did not register. Nor the fact that it was no longer easy to get your own house as an ordinary worker in your 20s. Or that a decent Council House was once a cheaper and easily available alternative. Far too many were willing to blame individual failing for later generations not having the same advantages.

Selfishness was always strong among Baby Boomers. One vivid example is a pop song called '*My Generation*' by the English rock band *The Who*. Written by guitarist and primary songwriter Pete Townshend. Sparked, it seemed, by him not being quite as privileged as he thought he merited after earning riches from music in a way previous generations mostly had not.

"Townshend reportedly wrote the song on a train and is said to have been inspired by the Queen Mother, who is alleged to have had Townshend's 1935 Packard hearse towed off a street in Belgravia because she was offended by the sight of it during her daily drive through the neighbourhood."<sup>3</sup>

He's now 80: someone with money to burn might park a hearse somewhere that he'll have to keep seeing it. See how he likes it! It would not bother me, but I suspect he hasn't got a solid world-view in which one's own

<sup>1</sup> <https://yougov.co.uk/politics/articles/53923-how-would-britain-vote-at-the-start-of-2026>

<sup>2</sup> <https://www.ft.com/content/c361e372-769e-45cd-a063-f5c0a7767cf4> - pay site

<sup>3</sup> [https://en.wikipedia.org/wiki/My\\_Generation#Recording](https://en.wikipedia.org/wiki/My_Generation#Recording)

death is acceptable as part of life.

The lyrics baldly say “*Why don’t you all f-fade away (talkin’ ‘bout my generation)*”.<sup>4</sup> People thinking the world ought to belong to them rather than older generations who had created it. And most of ‘my generation’ were happy to dismantle the taxation and state spending that had done the real work of sharing the social wealth among those who needed it most.

They were also jollied into thinking that the Second World War had been an unfortunate accident, heroically won by Britain and the USA. With the Soviet Union gaining unfair advantage. Not that the British elite had helped Hitler rise in the belief he would destroy the Soviet Union for them.<sup>5</sup> When he quarrelled with Poland, they maybe thought he could be boxed and persuaded to be more modest. Things then went so horribly wrong that they needed the Soviet Union to save them from Hitler.

Post-war, the elite conceded a lot at a time when many in the West saw the Soviet model as a real alternative. Sadly, Moscow then got bogged down in past methods and rejected the sensible relaxation that many loyal communists wanted.<sup>6</sup>

<sup>4</sup> <https://www.songfacts.com/lyrics/the-who/my-generation>

<sup>5</sup> <https://labouraffairsmagazine.com/d-nazism-and-the-guilt-of-upper-london/>

<sup>6</sup> <https://labouraffairsmagazine.com/very-old-issues-images/magazine-001-to-010/magazine-007-july-1988-2/the-1968-invasion-of-czechoslovakia-doomed-the-soviet-union/>

What was done in China after Mao shows that it *could* have been done. China now shows the way forward. But meantime most of my own Baby Boomer generation are fading away in a fit of resentment. Resenting the fairly predictable results of their own actions.

## Trump – Not For All Mankind

An SF series called *For All Mankind* gets its fifth season on Apple TV this March. It imagined the Soviet Union being first on the moon. A Liberal Imperialist fantasy – the Soviet system lasts, but the USA are heroes in keeping them limited. But very entertaining.

It’s always seemed to me that the Soviet loss of the race to the moon was an early sign of that system’s decline. Stalin’s ruthless and successful planning system was replaced by a pseudo-market that became very corrupt.

The squalid reality we live in is that Bush Senior and Thatcher decided that the Soviet fall made it a suitable time to attack secular nationalists in the Global South. Afghanistan could be safely neglected, rather than spend money to broker a deal between the leftist government and the warlords.

The West’s centre-left went

[com/very-old-issues-images/magazine-001-to-010/magazine-007-july-1988-2/the-1968-invasion-of-czechoslovakia-doomed-the-soviet-union/](https://labouraffairsmagazine.com/very-old-issues-images/magazine-001-to-010/magazine-007-july-1988-2/the-1968-invasion-of-czechoslovakia-doomed-the-soviet-union/)

along with this rubbish, and endorsed phony claims that state enterprises were wasteful. MPs who were or had become securely members of the Upper Middle Class agreed that welfare was a huge and hideous burden on productive private business. The Global South would be transformed into capitalist democracies. The West would privatise everything possible.

And would also bail out the very rich, when there was a crisis. Obama did that in 2008, and Labour did not ridicule the absurd claim that British state spending had caused that global crisis.

There were a series of wars, none of which produced a result to be proud of. Afghanistan belongs to the Taliban, far stronger now than they were when the USA invaded.

Kamala Harris lost in 2024 and Hilary Clinton lost in 2016, because they stood for these bad policies. And showed no concern for the white working class, no longer secure and trade-unionised as it was in the 1960s

## Iran – Another Failed Colour Revolution

Iran’s economy is weak because the USA keeps hampering its trade. But protests about this were hijacked by a long-prepared network of people wanting to go back to the days of the

pro-Western Shah. Or else just destroy the country.

The authorities got violent, only when some protesters started waging war against the authorities. This is largely kept out of Western news. But as so often, *The Economist* mentioned facts that the business elite need to be aware of:

“Some protesters have fought back with knives and hunting rifles. The authorities like to exaggerate the count of their own dead to fuel a narrative that the opposition is being armed by foreign powers. Still, even opposition groups have tallied around 150 security men killed.”<sup>7</sup>

Iran was a dictatorship under the Shah, who had in the 1950s overthrown a moderate and elected regime that had dared ask for a decent price for oil. And that the new Islamic regime allows open elections with real contests for who forms the next government. With oversight for the religious authorities, but the majority do indeed want strict Islam. Political Islam moved into the gaps made when Western efforts damaged socialism within the Islamic world.

That’s why I believe accounts like this:

“Mossad [Israeli] agents were on the ground in Iran and surely there were CIA operatives working alongside them. They worked closely with local agitators — the rioters who were bent on destruction and assassination

— to turn the peaceful protests into violent protests, which would then lead the government to turn to violence. There is abundant video footage of the agitators at work.

“Moreover, the tag team sent many thousands of Starlink terminals into Iran before the protests began. Should the government shut down the internet and the phone system — as expected — the Starlink terminals would allow the protestors to communicate among themselves and with the outside forces helping them...

“The US military (and maybe the Israeli military) was primed to attack Iran once the protests had reached critical mass, finishing off the regime and creating chaos in Iran that would hopefully break the country apart.

“But the strategy failed, mainly because the Iranian government was able to shut down the protests quickly and decisively. A key element in the government’s success was shutting down Starlink, which made it extremely difficult for the protestors to communicate with each other and the outside world. Once that happened, the protests were doomed and both Prime Minister Netanyahu and Trump understood that the tag team could not use military force to deliver the *coup de grâce*. The Iranian regime had survived.”<sup>8</sup>

I’ve seen claims that the authorities were able to locate the dishes when they were hidden. They give out signals, and Iran might well have had help from Russia or China or both.

It had always seemed to me that ‘liberation by internet’ was going to fail. I’d warned

about this as far back as the year 2000.<sup>9</sup>

I don’t like the current regime, but it does seem a fair reflection of what ordinary Iranians actually desire. And outside of Europe, where there were older parliamentary traditions to look back to, the various ‘Colour Revolutions’ have either been crushed or resulted in a failed state.

## Global Warming as Regional Freezing

Scientists tend to be bad at getting their message across. *Global Warming* was correctly predicted as the general trend. But only an average. All weather models predicted that there would be small regions that would have bouts of unusual cold.

More rain overall, since a warm atmosphere holds more moisture. But familiar weather patterns started shifting much sooner than had been predicted. Floods alternated with droughts.

People shifted to call it *Climate Change*. Much worse than if the familiar weather were just warmed by 1.5 degrees centigrade.

No one expected a much warmer Arctic so soon. Nor the weakening of the polar vortex that had previously stopped this still-very-cold from commonly flowing southwards.

You’ve probably seen in the news that the USA now (26<sup>th</sup> January) has a massive storm

<sup>7</sup> <https://www.economist.com/middle-east-and-africa/2026/01/15/bereft-of-legitimacy-the-reeling-regime-in-iran-massacres-its-own-people>

<sup>8</sup> <https://braveneweuropa.com/john-mearsheimer-the-tag-team-fails-in-iran>

<sup>9</sup> <https://labouraffairsmagazine.com/articles-by-topic/m99-topic-menus-from-long-revolution-website/46-globalisation/the-web-is-always-insecure/>

of snow and frozen rain. Caused by a clash between an outbreak of cold polar air and warm moist air from the south. In previous years, the mass of warm moist air was missing. 2021 saw severe cold extending much further south.<sup>10</sup>

Since I follow Japan's English-language news, I also knew about their abnormally heavy snowfalls. Cold polar air hitting moisture from the Sea of Japan.

Climate change can't be proved to cause a single, specific storm. But the trend is for them to be more severe and disruptive.

### Kiev's Greed Causes Its Suffering

"Because Mr. Putin has portrayed his war domestically as a rescue operation for the Russian-speaking people of Donetsk and neighboring Luhansk, it would be difficult to sell a victory at home that does not result in the capture of the rest of Donetsk. Russia already controls Luhansk."<sup>11</sup>

That's an example of how the news gets twisted. No one would say **the USA portrays Alaska and Hawaii as part of the USA**: international law confirms this. Does so despite US violence and racism when taking over Hawaii.<sup>12</sup> But when the reality of International Law does not give the answer they like, they hide it. Western news sources will say that Beijing

<sup>10</sup> [https://labouraffairsmagazine.com/problems-magazine-past-issues/as-p45-the-texas-freeze-of-2021/#\\_Toc68336980](https://labouraffairsmagazine.com/problems-magazine-past-issues/as-p45-the-texas-freeze-of-2021/#_Toc68336980)

<sup>11</sup> <https://www.nytimes.com/2025/11/24/world/europe/trump-ukraine-peace-talks-russia.html> - pay site

<sup>12</sup> [https://en.wikipedia.org/wiki/Overthrow\\_of\\_the\\_Hawaiian\\_Kingdom](https://en.wikipedia.org/wiki/Overthrow_of_the_Hawaiian_Kingdom)

*claims* that Tibet and Taiwan are part of China, even though this is the clear legal position.

The Ukraine War began in 2014, rioters persuaded a very corrupt parliament to certify that hatred of everything Russian or Soviet was a requirement for being a proper Ukrainian. The Oblasts (regions) of Crimea and of the Donbass had never signed up for that. Most of the people there spoke no Ukrainian, and saw Russia as a friendly country.

When the option to be Ukrainian-but-close-to-Russian vanished, Crimea asked to be wholly Russian, as it had been till Khrushchev moved it in 1954. The two Oblasts of the Donbass were ready to settle for autonomy, but Kiev repeatedly thwarted a referendum about whether the majority actually wanted this. Kiev must have known that Russian-haters in the Donbass were a minority.

West Ukrainian nationalism has always been aggressive. Never respectful of majority wishes: they think their minority populations should have it all. Ukrainians who didn't feel a tie to Russia felt entitled to deny basic rights to those who felt otherwise. That they owned territory that was never part of Kievan Russia. Land given a mixed Russian and Ukrainian population by the Tsarist state opening up depopulated land to settlement by conquering the slave-raiding Tartars of Crimea.

The same West Ukrainian

aggression applies to regions with mixed Polish and Ukrainian populations:

"Zakerzonia ... is an informal name for the territories of Poland to the west of the Curzon Line ... claimed as ethnically Ukrainian territories by Ukrainian nationalists in the aftermath of World War II. However, before 1939, the areas of Zakerzonia were mostly inhabited by Poles, who constituted about 70% of the population of this area. Ukrainians lived in a minority in Zakerzonia, constituting about 20% of the area's population."<sup>13</sup>

Almost all Poles dislike both Ukrainians and Russians. They went along with a war that promised to greatly weaken Russia. But this failed, so dislike of Ukrainians is becoming more overt.

Within what was once Soviet Ukraine, both sides suffer, but only the suffering of one side is shown. The city of Donetsk was repeatedly shelled by right-wingers who held nearby portions of the Donbass, but Western media never showed that.

### 'White Traitors' in the USA?

When Elon Musk bought *Twitter* and changed its name to *X*, many users hived off as a new entity called *Bluesky*. And I chose to follow both. *X* has more rubbish, but also more interesting posts. Blocking the rubbish-posters and favouring the interesting

<sup>13</sup> <https://en.wikipedia.org/wiki/Zakerzonia>

improves the quality of what you do get.

*Bluesky* has many posts citing the anti-Hitler poem: people who did nothing when it was someone else, then found themselves alone. But I don't think anyone expected Trump's immigration people to start shooting white people, which has now happened twice.

Regular police have always been prone to shoot troublesome black people. I'd suppose that non-whites assume ICE is dangerous. White people thought they were still secure for normal protests.

But a majority of Republicans back Trump on this, even though detailed study of what was filmed show that neither victim was in any way a threat.

The excuses are absurd. One ICE man felt threatened by a car driving away from him. Another terrified by a gun that a male nurse held legally and had not tried to draw.

ICE is using terrorism to persuade illegal immigrants to flee rather than fight to stay on. And perhaps to scare legal non-white immigrants to quit regardless.

The original poem talks as if most Germans were too timid to act. Not in fact a realistic view: the Nazis got a third of the vote in the last fully free election in November 1932. The Social-Democrats and the centre-right had blatantly failed, and the Communists peaked at just under 17%. Hitler strengthened because he had a run of success. Also because most Germans felt that the Weimar system had failed, and the future would be either Nazi or Communist.

Nothing remotely similar exists in the USA. Voters may choose in 2028 to go back to the mild decline that existed under Biden. Which would include the profound change in US identity that began in the 1960s.

The founders of the USA knew they were an offshoot of British culture, and they wanted to develop this rather than abandon it. So they imposed quotas from 1921, keeping out most of the Italians and East European Jews who had been arriving in increasing numbers. And measures against Asians had begun even earlier, with the Chinese Exclusion Act of 1882.

US Republicans voted for the Immigration and Nationality Act of 1965, which dropped racial rules. At that time, the U.S. was 85% White, 11% Black, and Latinos less than 4%. East Asians very few indeed.

Republican politicians before Trump tapped into racist feeling, but didn't really share them. Skilled Asians were useful money-makers. Illegal immigrants helped undermine Trade Unions. And the traditional white working class blamed the wrong people.

It's even possible that Trump would be ready to break up the USA if he cannot recapture it for the values of his father, an enthusiast for the Ku Klux Klan.

### Snippets

#### Cosmopolitan Canada

"Canada's deal with China signals it is serious about shift from US."<sup>14</sup>

<sup>14</sup> <https://www.bbc.co.uk/news/articles/cm24k6kk1rko>

Canada was assembled from a French-speaking settlement that the British Empire gained in the Seven Years War, and a significant number of Loyalists who had stayed loyal to the British Empire that had made their lives possible. There was always tension, though it eased when the USA and the disbanding British Empire worked together as a single world-dominating Anglosphere.

Canada retains the broadly tolerant culture that Trump is fighting against in the USA. And he also expects a 'purified' USA to co-exist with China and Russia. So although he blusters against Canada, I would not expect much to happen.

\*

#### China Keeps Cleaning Up

"China has moved to tighten the rules on declaring personal assets and business connections for officials as part of the ongoing battle against corruption.

"Tens of thousands of officials have been purged and prosecuted for corruption since Xi Jinping became the party boss in 2012, including dozens who were in the upper echelon of the ruling party, and going after the 'big tigers' has helped provide a warning to others."

Avoiding the corruption that killed the Soviet Union.

\*

Old newsnotes at the magazine websites. I also write regular blogs - <https://www.quora.com/q/mrgwydionmwilliams>

# Notes on the Constitution of the United States

## And on constitutions more generally

By Dave Gardner

One of the great powers in the world, the USA, has a widely acclaimed written constitution, written in the late eighteenth century. It is based on the political philosophy of John Locke, an English philosopher and leading theoretician of the English Glorious Revolution oligarchical group of aristocrats who drastically trimmed the power of the monarch to rule behind the scenes in his place. It is based on the idea of distributing sovereignty between an executive, a legislature and a judicial arm of government, with limitations on each. Locke's ideas were adapted to a republic with an extended but not universal suffrage. Many Americans, including libertarians such as Judge Napolitano, make it a key point for the protection of civil liberty and maintenance of limited government and lament the way in which its provisions are often ignored by contemporary governments and the non-elected state apparatus. Particular reference is made to amendments 1-10, the so-called Bill of Rights.

The points made in these amendments reflect Locke and his followers' desire for the capacity to resist sovereigns, both morally and physically. The first amendment concerns unlimited freedom of speech and right to assembly. The second, concerning the right to bear arms, is related to the Lockean claim that the people (i.e. the aristocrats and their allies) should retain the power to resist and if necessary overthrow any government that they consider to be acting unjustly. In practice the second amendment has been used to allow Americans to carry guns in public and private places. This liberty does not generally exist in most countries except for those that really do have militias, such as Switzerland. The first amendment is important in the context of democracies as it is a prerequisite of any form of government that lays claim to allowing for genuine debate about political issues. It, rather than the second amendment, has come

under sustained attack in the US, not overtly, but through the passing of state laws, the negligence of the legislature and the actions of the executive in suppressing for example anti-Israel agitation, even of the passive kind such as participating in a boycott of Israeli goods.

A constitution can be a fine thing for a state to possess, particularly if it provides protections such as those in the first amendment. But it is only a normative ideal. It is a document with a foundational standing. In the US public servants give an oath of allegiance to it. But rarely are documents completely unambiguous. They can be interpreted and the Supreme Court exists in large part to do just that. Judges to the Supreme Court are appointed by the Executive and endorsed by the Legislature, their appointment being the outcome of a political process.

In reality political power may in practice make a mockery of the constitution. This is partly because constitutions can, as mentioned above, be interpreted. Within the constitution legislative workarounds can be found. For example, what does constitute an emergency that allows the executive extraordinary powers granted by acts of Congress? More important however, is the way in which power is wielded. In the US and Europe this is done increasingly through a moneyed oligarchy that controls nominally opposed and independent political parties, the mainstream media, informal media outlets, think tanks and elements of the bureaucratic state.

In such circumstances, those that currently obtain in the US and to a lesser degree in other so-called liberal democracies, the constitution is a normative ideal which becomes largely irrelevant. Free speech is important, but the constitution does not and cannot guarantee free access to information. Without comprehensive and accurate information it is impossible for a mass electorate to form sound judgements about the best interests

of their country, even when they have the desire to do so. In the US mass media are controlled by a small clique of billionaires who ensure that information and allowable opinion are tightly controlled.

The vast funding required for participation in politics at state, let alone national level, ensure that candidates from both the Republican and Democrat parties depend on billionaire funding for their political careers. Step out of line and the same billionaires will ensure that a well-funded opponent sees to it that you are defeated in the next election. The legislative as well as the executive arm of government is subordinated despite the nominal supremacy of the universal suffrage electorate. To the credit of the people of the US, there is enough of an independent spirit to ensure that independent experts and writers, people like Jeffrey Sachs, John Mearsheimer, Candace Owens, Andrew Napolitano, Scott Ritter, Daniel Davis, Douglas Macgregor and others have a large following outside the mainstream media, although it is likely that the oligarchs who control the internet platforms will eventually find ways of gagging them. The Battle of Ideas will not be won in the sphere of ideas but in a world of manipulation.

All democracies are to an extent oligarchies and even high-flown democratic constitutions will be either ignored by those oligarchies or interpreted in their favour to a certain extent. But the power of money in the US is now such that even the fig leaf of their Eighteenth Century constitution is in danger of being set aside. Big money brings big power and constitutions run the risk of irrelevance. Class politics is needed to bring big money under control and to promote a democracy that at least pays some attention to democratic ideals enshrined in documents such as the US constitution.

# The Americanisation of Football

By Alexandros Schulman

*The Americanisation of the 2026 World Cup and the Control over Global Sports — How the United States has turned football's greatest party into an over-politicised, over-priced spectacle that tells Iranians, Egyptians and ordinary football fans that they are not welcome.*

When FIFA awarded the 2026 men's World Cup to a joint North American bid, FIFA president Gianni Infantino promised "unity, celebration and access for all".

Barely eight years have passed and the tournament has become hostage to the White House travel bans, rainbow-flag enforcement and ticket prices that only Blackrock executives can afford.

The World Cup draw in Washington earlier this month was perfect trailer: a MAGA rally in tuxedos, complete with an invented "FIFA Peace Prize" handed to the planet's most polarising politician and a cost-of-entry that begins at \$ 4,150 (£3,300) for the final itself. The world's most-watched sporting event is being transformed into a vehicle for ideological projection, economic extraction, and political coercion. Make no mistake, this is very much a US World Cup as Canada and Mexico, nominally cohosts, are sidelined as indicated at the World Cup draw in which six of the seven guests drawing nations were American.

This trend reflects a deeper crisis: the commodification and politicisation of international sport under the logic of late stage. The core principles of international sport: universality, fairness, and respect for sovereignty are being systematically undermined by American infiltration into sports.

The politicisation of cultural issues threatens the spirit of mutual respect among civilisations. The American regime has long instrumentalised identity politics to mask its geopolitical aggression. Someone in the local organising committee thought it clever to schedule Egypt v Iran on the eve of the city's Pride parade and to badge the match-day "Seattle Pride Celebration."

Essentially, this is a form of ideological subversion, a deliberate distortion of progressive ideals to delegitimise sovereign states that resist Western domination.

The unilateral branding of matches involving specific national teams as platforms for externally imposed "values campaigns" constitutes a distortion of human rights discourse. Rather than promoting genuine dialogue, such practices serve to construct moral hierarchies among nations, to justify interference in the internal affairs of sovereign states. Egypt, Iran and other Global South nations have the right to determine their own social development paths in light of their historical conditions and cultural traditions, free from external pressure disguised as "progress."

The targeting of Iran is no coincidence as is demonstrated by the Americans' instrumentalisation of immigration policy to exclude national delegations violates the fundamental principles of non-discrimination in international sport. The U.S. government's refusal to issue visas to Iranian officials — including FIFA Vice-President Mehdi Taj — is not an administrative oversight. It is a calculated act of political sabotage, exposing the fraudulent neutrality of "apolitical" sport and an attempt to turn the World Cup into an extension of unilateral sanctions regimes.

When a host nation selectively excludes representatives of sovereign states based on geopolitical hostility — in violation of FIFA Statutes and the Olympic Charter's principle of non-discrimination, the "World" Cup becomes a tool of coercive diplomacy. This is neocolonial gatekeeping; the empire decides who may enter its stadium, just as it decides who may trade, who may develop nuclear energy for peaceful purposes, and who shall be placed under unilateral sanctions.

Iranian football fans will not fare any better than Iranian officials, as a June 2025 travel ban blocks nationals of 19 countries, including Iran and surprise qualifier Haiti — unless they qualify for the narrow

"athlete" exemption. Fans born in Iran but holding EU passports have been rejected at consulates in Paris and Frankfurt. For many fans, not just those of targeted nations, World Cup 2026 promises to become a Visa roulette.

The ad-hoc awarding of a newly invented "FIFA Peace Prize" to Donald Trump, the architect of the "Muslim Ban," destroyer of the JCPOA, and instigator of the U.S. embassy move to occupied Jerusalem and a man currently placing Venezuela under siege and threatening it with war, lays bare the hypocrisy of bourgeois peace discourse. It seems that Infantino has taken inspiration from the Nobel Foundation whom History has shown that it awards prizes not to serve peace, but rather in service to American Imperialism.

The World Cup has all the hallmarks of a tournament built for television, not people, and the escalating commercialisation of the tournament reflects the broader financialisation of life under monopoly capital.

With final-match ticket prices exceeding \$4,000, multi-game packages surpassing the annual income of citizens in many developing countries and hospitality packages reaching \$50,000, the 2026 World Cup risks becoming a spectacle for the global elite, detached from the working classes who constitute football's soul. The expansion to 104 matches, corporate stadium takeovers, and algorithm-driven pricing models that prioritise profit over accessibility are turning the people's game into a premium commodity. At the time of writing FIFA have announced the introduction of £45 ticketing for a tiny proportion of tickets per game to a lucky select few fans. This move was made in response to widespread criticism of the ticketing structure and is nothing more than a token gesture designed to address negative publicity.

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# Money, Money, Money . . .

By Magnus Langton

On Sunday August 15<sup>th</sup>, 1971, United States of America President, Richard Nixon addressed the nation and announced,

“I have directed Secretary Connally to suspend, temporarily, the convertibility of the dollar into gold . . .”.

With that, the Bretton Woods Agreement of 1944 came to an end. This settlement had defined the post-World War II international monetary system with fixed exchange rates, pegging other currencies to the U.S. dollar, which was convertible to gold at \$35/ounce and making the dollar the world's reserve currency. As the dollar became fiat, so did the rest of the world's currencies. The word fiat is Latin, meaning ‘it shall be’. The intrinsic value of money was now derived from a government's decree that it is legal tender and by faith of others that the economy behind that currency will perform in order to maintain the value of the money.

The perennial fear is that under a fiat system, a government, lacking the controlling hand of a gold

standard, will over produce money, to meet its own priorities and this will therefore lead to spiralling inflation and deflation of the currency.

In a world ruled by the economic assumptions of the neo-classical school, the implications of the fiat world do not always seem to be understood by the political élite and if they do, they have done little to communicate this to the population.

In answer to Jeremy Corbyn at PMQs, on June 7<sup>th</sup> 2017, Theresa May had said, “there is no magic money tree.” However, the government had previously raised £45.8 billion to bail out various banks with a further £375 billion raised by the (BoE) Bank of England in 2008/9 and the BoE ‘created’ £450 billion in digital money during Covid with the government chipping in a further £310 billion - which looked rather a lot like a magic money tree to many. So how was this achieved, and did it have anything to do with the money system being fiat?

Money is at the very heart of every modern society but what it is, where it comes from and why; this is all such a closely guarded secret. What is even more incredible is that journalism in general does not seem that interested in finding out the answers and neither does the academic profession of economics.

On a daily basis, the Treasury Debt Management Office is aware of the spending demands upon all UK government departments. The government (Treasury) directs the Bank of England to make payment from the government's ‘Exchequer Account’ in the Bank of England. This is the main UK bank account held in the BoE. It is the physical action arm of the statutory accounting entity -The Consolidation Fund, which was created in 1688 under the Bill of Rights and amended in the Exchequer and Audit Departments Act 1866, which authorises state expenditure. The Bank of England then pays this money to the bank accounts of government departments, that then allocate the money to innumerable private bank accounts, for the benefit of recipients: pensioners, local governments, arms manufacturers etc. The Exchequer account is topped up by the Treasury. The funds for this come from a) tax revenue and b) the proceeds of Gilt (bond) sales by the government. Note, the spending comes first. The government creates the ‘spending’ and the tax revenue comes into the account afterwards. The government does not need tax revenue (or gilt sale proceeds) to spend, it creates money first. The effect of the tax revenue being returned to the Treasury is that the money is destroyed. New money is created daily, but the money supply does not rise inexorably because it is being destroyed daily as tax and gilt revenues return to the Treasury. The tax and gilt revenues are primarily there to control inflation

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Football was born in the working-class communities of industrial Europe and Latin America, a game of the streets, where labourers competed and stars came from the humblest of backgrounds. Its beauty lay in its accessibility. Today, under monopoly capital, an attempt is being made to “upgrade” it into a luxury commodity: Stadiums turned into consumption temples, chants replaced by jingles, and the travelling supporters being displaced by credit-card-carrying tourists there for the selfies.

The 2026 World Cup is more than a football tournament. It is a microcosm of a world order in crisis, a world dominated by finance capital, militarism, and unilateralism. In its spectacle of exclusion, it reflects the broader crisis of the American-led order: one of increasingly unsustainable coercion.

What is needed is not reform, but a commitment to promote sports as a force for peace and human solidarity, not division and profit. In sports, as in all domains of international cooperation, the path forward lies in equality, dialogue, and mutual respect, not hegemony, sanctions, or spectacle.

If the United States cannot resist turning the planet's party into an extension of domestic wedge politics, it should never have been allowed to host it in the first place.

The World Cup belongs to the world's people, not to Wall Street, not to Washington, and not to the logic of profit over humanity. Just as another fairer world is possible, another football, truer to its roots as the people's sport, is necessary.

from oversupply of money – not to initiate spending power.

A country with a sovereign currency (not any country in the European Union, any African country still using the Franc or any country that uses the dollar as its currency) cannot go bankrupt because it can always create enough money to meet any debt, held in that currency. If the UK has a debt denominated in pounds, the government can pay that debt. A sovereign government with its own currency controls the ‘means of production’ of the money.

Government expenditure is not the only source of money in society. Banks also create money.

There are three theories about bank money creation. ‘Loanable funds’, ‘fractional reserve banking’ and ‘credit creation’ theories. In the ‘loanable funds’ model, banks loan savers’ money to other customers in search of funds and the ‘fractional reserve’ model of banking is where through some accounting jiggery-pokery, more money comes out of the banking system than was put in. The credit creation model is where banks just create new money when they issue a loan.

The Bank of England released its Quarterly Bulletin 2014 Q1 entitled ‘Money Creation in the Modern Economy’ authored by Michael McLeay, Amar Radia and Ryland Thomas of the Bank’s Monetary Analysis Directorate on 14 March.

The opening line is,

"This article explains how the majority of money in the modern economy is created by commercial banks making loans."

Bombshell number 1!

It goes on,

"Money creation in practice differs from some popular misconceptions -banks **do not** act simply as intermediaries, lending out deposits that savers place with them, and **nor do they** ‘multiply up’ central bank

money to create new loans and deposits."

Boom Boom!

In short, the Bank of England declared the ‘loanable funds’ model and the ‘fractional reserve’ model of banking, were both dead wrong.

The BoE article describes how private commercial banks, through the mechanism of a banking licence, create money, essentially from nothing. The banks have a (literal) licence to print money, and a lot of it.

It is perhaps no accident that the Bank of England chose 2014 to come clean about how money is created.

On 7<sup>th</sup> August 2013, at the German Raiffeisenbank Wildenberg, Professor Richar Werner conducted the world’s first public, empirical test regarding how money was created in a bank. The experiment allowed for total transparency within the bank’s systems. Professor Werner took out a 200,000 Euro loan and the internal accounts of the bank were monitored in real time. There was no deduction from any other customer’s accounts and there was no fluctuation in the banks’ reserves, so, the loanable funds and the fractional reserve models did not apply. The money was just created and appeared in Professor Werner’s account. The reality was the bank had ‘purchased’ a financial instrument, a promise by Professor Werner to repay the money, with interest, in an agreed time frame. The bank had done nothing but wave a magic wand, a wand issued with the banking licence.

This whole experiment was filmed by the BBC. To this day the BBC has chosen not to release this footage.

The German central bank, the Deutsche Bundesbank, published a monthly report in April 2017 entitled ‘The Role of Banks, Non-Banks and the Central Bank in the Money Creation Process’. It states, “Money creation is a

bookkeeping Transaction . . . in principle, the central bank and banks can create money’ and ‘the bulk of the money circulating in the euro area is created by commercial banks’. It further states “This does not involve any savings that were previously placed with the bank being lent out. Rather the bank creates the deposit money when it grants the loan.”

The European Central Bank similarly added an article to their website on or around March 2015 entitled ‘Money Creation in the Modern Economy’ which endorses the credit creation model.

How much money do the banks create every year and where does it go?

Lending M4 is the metric by which new loan created money in the economy is generally measured. This figure was approximately £57.7 billion in 2023/4. It is estimated 95% of this is bank derived credit creation money. <http://bankofengland.co.uk/statistics/money-and-credit>

Bank of England (2024) Money and Credit – Bankstats (Tables A21, A2 2) Statistical Interactive database, series LPMB7AI and LPMMAUI.

These loans can be divided into three types: Consumer, Productive and Asset Speculation.

Consumer: (creating demand but not boosting productivity) approximately 10%

Productive: business investment approximately 10% and

Speculative: used to boost the price of pre-existing assets (mostly house buying) approximately 80%.

Post war credit control was a central part of the Keynesian economic platform that guided the gradual growth in the economy and living standards in Britain. The Bank of England Act 1946 gave power to the Treasury to issue directives to the Bank of England and to issue ‘guidance’ to commercial banks. The Exchange Control Act 1947 created capital controls. The government received

powers to restrict all transactions involving foreign currencies, gold and securities between residents and non-residents. This controlled capital flight and managed the balance of payments, directly influencing bank's abilities to lend abroad. These legislations were unwound, first in 1970 under the Competition and Credit Controls scheme, the Bank of England sought to liberalise the system. This resulted in a huge spike in lending and the state re-imposed direct control. It was under Margaret Thatcher that the Supplementary Special Deposit Scheme (SSD) which had reimposed central control of lending was repealed and the immediate removal of all credit controls. With the City of London's 'Big Bang' in 1986, the City became the centre of the world's capital markets, facilitating the rapid re-deployment of capital for those with it, around the world, 24-7. The longstanding influence by governments on commercial banks to prioritise 'productive' loans into 'priority' areas of the economy in favour of market led (speculative) loans, was eroding during the late 1970s and was dispelled completely with the repeal of the SSD in 1980.

Credit money is created, (effectively for free) by the banks, the return of this money in repayments is paid directly to the lending bank. The profits are subject to taxation, but the result is, the money created by the banks is paid off by the borrower and the interest (profits) – go to the bank. Many loans are made with the subject of the loan held as collateral for the loan. The Courts have repeatedly held that the interests of the creditors are prime. \*Should repayments fail to be made, the bank receives the asset. Heads I win, tails you lose.

As each round of loans is made, so the assets rise in value, so the loans increase, so the value of the interest payments increase, again and again and again. Fine work if you can get it. The profits increase

each time for the banks.

The exorbitant privilege of issuing loans is possible because the bank holds a banking licence. These are issued by the government and by the central bank. The Bank of England was wholly nationalised on 1<sup>st</sup> March 1946 by the Attlee Labour government under the Bank of England Act. This means any 'loan' by the Bank of England to the government is, in reality, one hand taking money from the right trouser pocket and handing it to the other hand that places the money in the left trouser pocket.

The legislation underpinning this is the Financial Services and Markets act 2000. This enables the Bank of England through the Bank's (PRA) Prudential Regulation Authority to work with the (FCA) Financial Conduct Authority. The FCA is an 'arm's length body'. Funded by contributions from the institutions and companies it is meant to regulate whilst being accountable to the Treasury, the Treasury Select Committee in Parliament and the Courts and they have their own independent complaints commissioner.

The banks are limited as to how much they can loan, at any one time. The regulations are in line with the International Basel III/IV (banking) Accords. A bank can lend as much money as its capital can support, after accounting for the 'risk' of the loan, the bank must meet liquidity rules and cannot overexpose itself to one borrower. The rules for these calculations are held in the Prudential Regulation Framework. The capital requirements for a bank when lending are contained in the Capital Requirements Directive (UK). The stated aim of these regulations is to provide a stable environment in which both lenders and borrowers can have faith in the banking sectors' stability.

Ironically, perhaps the loudest criticism of these regulations is that this structure amplifies the markets' instability in both boom and bust. A bank will hold assets to provide capital, which makes

their balance sheet look strong, but these valuations can collapse when markets fall, just when the bank is required to sell them. When the markets suffer yet another bubble burst, the banks are now required to build the value of their capital before they can start to lend again. No bad thing you might think, but productive loans are classed the same as the speculative loans that caused the bubble in the first place and these are at least as likely not to be approved as their wrecking ball speculative sibling.

The lending models are intricate and the ratios are based upon the particulars of an individual bank. Each loan is assessed in-house by the issuing bank, which can result in very different lending conditions for the same loan between banks.

The costs of compliance are high. The regulations are applied the same for small banks and large banks. The costs of scale mean the larger the bank, the more efficient this process becomes. The European Central Bank has been making many statements regarding amalgamating banks to 'streamline' the banking sector. The effect of this would be larger, less personal banks, that would be more profitable.

The banks are businesses, driven not by their public function of ordering the movement and storage of money but by shareholder profits. The more loans they make and the higher the asset bubbles they can fuel, the greater their profits. This is only part of the banks' business.

We have a system where the money in society is created by the government, directly through the Bank of England and indirectly through the banks it licences. The results of this money creation are political choices.

As Tony Benn said, "If we can find the money to kill people, we can find the money to help people." Our society increasingly finds money, seemingly, for the priorities of the richest.

# “The Fraud: Keir Starmer, Morgan McSweeney and the Crisis of British Democracy”, by Paul Holden

## Book Review by David Jackson

This is a lengthy, significant and substantial book of almost 550 pages. It is supported by nearly 800 footnotes, which the author decided to place online. To do it proper justice, requires more than one review. This review is an overview of the book, followed by a consideration of the early years of Labour Together and Morgan McSweeney.

Its significance lies not in it being a biography of Keir Starmer and his rise to power – there are four other books<sup>[1]</sup> which the author refers to in the preface as commendable in their own way, putting considerable evidence into the public domain, drawing on each of them to some extent.

Mr Holden claims that what makes this book different is that it is substantially based on leaked documentation from within the Labour Party, unavailable to the other authors. He is also clear that he has many areas of disagreement with the authors of three of those books – the exception being Oliver Eagleton – but has eschewed an ongoing back-and-forth in the interests of avoiding tediousness.

It is a serious piece of work drawing attention to the work and contribution of Labour Together headed by Morgan McSweeney and its role in helping to bring Keir Starmer to power. Holden asserts that McSweeney’s clique often employed dirty tricks to undermine the left-wing leadership of Jeremy Corbyn, helped Starmer become his successor on false pretences, then purged their opponents - all

made possible by donations that McSweeney unlawfully failed to disclose.

Holden tells this story in 7 parts. The first part is centred on Labour Together and the secretive nature of its activities. The next part tells the story of Starmer’s April 2020 election as leader of the Labour Party. Parts 3 to 5 covers the period up to the end of 2021 and outlines how the Starmer leadership took control of the Party far more effectively and more comprehensively than the Left had done during Corbyn’s leadership. Parts 6 and 7 looks at the 2022 to 2024 period. It centres on how the public policy offer during those years lurched to the Right, compared not just to the 2019 General Election, but also to Starmer’s own platform in the 2020 leadership contest.

It is also a book that has been published at the optimum time in terms of its potential to make an impact. There is no discussion of the current Labour Government apart from the last half of the last chapter which it headlines as 118 days of disappointment – an epilogue in all but name. Any books published in future years are likely to focus on the record of a Starmer administration, in which the activities of McSweeney (if mentioned at all) would be dealt with in a prologue.

It could have been written a year earlier, but it would be a substantially different work, not least because it would have missed out on the activities of the Labour party bureaucracy prior to the 2024 General Election and a substantive realisation of the Starmer project.

There are three aspects of the book about which I am sceptical and are interrelated,

although it doesn’t diminish the book’s overall value and usefulness. The first is the characterisation of McSweeney which I think overplays his role and responsibility. In political writing for a wider audience, there is always a receptive market for the portrayal of an obscure, unelected bureaucrat exercising a malevolent influence. Is political analysis being finessed to comply with a literary trope?

Second, it underplays the role and impact of politicians, whether it was Steve Reed and others who were part of Labour Together or Keir Starmer, who cannot be dismissed as empty suits lacking agency or a world view of their own. There was enough in their political and public service pasts to show that they had their own fully formed world view. If they choose to misrepresent or downplay it in a way, it is the duty of their opponents to ask questions, challenge and argue.

The third aspect is an impression fostered to view Corbyn, his supporters and the wider Left in the Labour Party as innocent victims of their failure and ultimate fall from power in 2019-2020. Without it being stated explicitly, the emphasis on the repeated mendacity and wickedness of McSweeney and Starmer can easily lead the reader into not asking fair questions of the Left over the defeat of Corbyn and Corbynism within the Labour Party or excusing failure due to the strength and skills of the forces they had to contend with between 2015 and 2019.

In the financial world, whenever fraud is committed in an organisation, it doesn’t occur in a vacuum – there are always warning signs and failures

<sup>1</sup> “The Starmer Project: A Journey to the Right (2022)” Oliver Eagleton; “Keir Starmer: The Biography (2024)” Tom Baldwin; “Taken as Red: The Truth About Starmer’s Labour (2025)” Anushka Asthana; “Get In: The Inside Story of Labour Under Starmer (2025)” Gabriel Pogrud and Patrick Maguire.

to exercise controls, checks and due diligence. Financial fraudsters often bring with them a considerable amount of charm, politeness, seriousness and even ostensible willingness to help and support. And these traits can be replicated in the political arena.

But even the most skilled fraudsters leave a trail of breadcrumbs that are often either dismissed or not acted on.

Yes, Labour Together were funded by donations most of which in value terms were not properly declared as expected (and this will be covered in a separate review).

Yes, there was also a degree of skill with which they operated in the shadows – there were also two long periods of relative inactivity. The first was between November 2016 and February 2019 when nothing was posted on Labour Together's Facebook or Twitter accounts; the second was a period of relative quiet between mid-2020 and early 2023.

But there's also evidence of events which was not properly addressed that was ultimately to the detriment of the Corbyn Project. This becomes clear when you consider the people who were the driving forces in Labour Together and their actions at critical periods in 2015 and 2016.

Labour Together were first formed in 2015 as a corporate entity, Common Good Labour, which was registered with Companies House on 9 June 2015. Its sole director was John Clarke who would later turn up as a director of Blue Labour.

Holden notes that the date of Common Good Labour's registration was only 6 days after Jeremy Corbyn first announced his intention to run for the leadership of the Labour Party. This is probably best regarded as a coincidence - it was widely believed that Corbyn would not

meet the threshold of nominations from Parliamentarians to contest the Labour Leadership.

Holden with the benefit of his Labour Party sources, tells us that many of the people who were behind the formation of Common Good Labour had collaborated closely for many years. They included Jonathan Rutherford (a political adviser), Jon Cruddas, Steve Reed and Morgan McSweeney.

According to the same emails, the key movers behind the creation of Common Good Labour were the Labour donor Sir Trevor Chinn (whose role will be covered in more detail in a future review) and Jon Cruddas. Chinn initially wanted the organisation to be headed by the Blairite MP for Streatham, Chuka Umunna, then seen as a rising star in the Party (who ultimately ended his political career in 2019 by leaving Labour for Change UK). Umunna rejected the overtures and the next names that were mooted were Tristram Hunt (the Labour MP for Stoke Central between 2010 and 2017) and Steve Reed.

Common Good Labour changed its name to Labour Together and announced its existence in October 2015 through The Observer where Cruddas announced that Labour Together 'aimed to bring together all sections of our party to discuss and debate the future of our party'. He also announced that his colleagues included Steve Reed, Lisa Nandy and Baroness Judith Blake.

There was a further development with Labour Together in March 2016 when John Clarke resigned as Director and was replaced by Chinn, Reed, Nandy and Cruddas. They would remain as Directors until 2023.

According to Holden, Corbyn's team in LOTO (Leader of the Opposition Office) were concerned at an early stage

about Labour Together but were mollified when Nandy explained that the group was not 'anti-Jeremy', to which Holden makes this conclusion;

"Perhaps this was true at the time; McSweeney had not yet joined Labour Together or united forces with Reed. Nevertheless, the assurance that Labour Together was not 'anti-Jeremy' stands out in retrospect as a moment of poignant historical irony".

Holden does not elaborate on those concerns within LOTO, but they were perfectly reasonable in relation to Steve Reed. Reed's political past had included being Leader of Lambeth Council in South London between 2006 and 2012 where he had been very active in factional conflict against the Left. He was also the vice-chairman of the Progress group which is clearly Blairite in its political orientation. In 2015, he supported Liz Kendall in the leadership election. Earlier in 2015, when asked on Twitter to consider nominating Jeremy Corbyn for Leader to get his name on the ballot paper, Reed responded:

"A wide ranging debate is a good idea, but showing the voters we are even more detached from reality than they suspected isn't".

However, in this passage of the book, Holden states that Reed would:

"serve on Corbyn's front bench as shadow minister under various portfolios between September 2015 and April 2020".

It implies that he was a loyal shadow minister. This omits the fact that he resigned as a shadow minister in June 2016 as part of a mass resignation of Labour frontbenchers in what was subsequently described as the "chicken coup" against Corbyn, though he apparently returned to the front bench in October 2016

becoming a shadow spokesperson for civil society.

As for Lisa Nandy, she resigned from the Shadow Cabinet in June 2016 and then in the subsequent Leadership contest between Corbyn and Owen Smith served as co-chair of Smith's campaign team.

Holden effectively overlooks the fact that 2 of the 3 Labour MPs heading up an organisation supposedly devoted to party unity were very clearly 'anti-Jeremy' during 2015-2016 and were prominent actors during a period when over 80 per cent of Labour MPs passed a motion of no confidence in Corbyn. And Holden doesn't make the conclusion that the initial concerns of people in LOTO about Labour Together proved to be justified within a year. In fact, the "chicken coup" would have been sufficient grounds for a Corbyn-led Left to try and make MPs more accountable through mandatory reselection, but they chose not to do so.

All this was before Morgan McSweeney joined Labour Together in 2017. McSweeney did not impose his values on Labour Together. He was already aligned with and comfortable about the predominant values as practiced by Labour Together.

Holden devotes a significant part of Chapter 1 to McSweeney's backstory. In 2015, McSweeney's associations with the Labour Party went back over two decades having worked for the party in the mid-1990s. He subsequently moved onto the Party's media operations in time for the 2001 General Election when he was given the task of feeding data into the famed Excalibur computer that stored information to be used by the Labour Party's rebuttal unit.

He came to wider prominence when he worked alongside Steve Reed when Reed was leader of

Lambeth Council. According to a New Statesman profile of him, McSweeney "led a revolt against the far-left factions for which the authority had become notorious". Subsequently he went on to work for the Labour Party in Dagenham and for the Local Government Association (LGA) until he joined Labour Together in 2017.

His time at LGA was interrupted in 2015 when he ran Liz Kendall's campaign for Labour Leader. Running as a Blairite, she secured 4.5 per cent of the vote. Holden also describes McSweeney as a long-time protégé of Peter Mandelson, though it is unclear whether this was obvious or widely known in the world of London Labour Party politics in 2015. Nevertheless, given how the Labour Left generally regarded Blairism and Progress, they should have made the working assumption that anyone who ran the leadership campaign of a Blairite would be fully signed up to this project.

Holden attempts to demonstrate how McSweeney managed to hide in plain sight, "convincing the very people whose politics he was actually conspiring against that he was a reasonable man who had their best interests at heart".

He cites the case of Gráinne Maguire, an Irish comedian and political commentator who was the co-host of a podcast "Changing Politics" which ran for 20 episodes in 2018. McSweeney was highly instrumental in suggesting and scripting the podcast which was also generously funded by Labour Together.

Holden paints in very bright colours when he describes the working relationship between Maguire and McSweeney – Maguire had voted twice for Corbyn and openly identified with the party's left – Maguire was clearly taken with McSweeney, their shared Irishness underpinning an instant

rapport – After a long time in the party, Maguire had become finely attuned to 'Progress types' – She detected no hint that McSweeney was aligned with this faction.

Holden is trying to depict the skill and subterfuge with which McSweeney operated, whereas I am left pondering how someone who "openly identified with the party's left," had voted twice for Corbyn, had been a long time in the party and was "finely attuned to Progress types" managed to overlook or disregard what McSweeney did in the 2015 leadership election.

Perhaps, part of the answer lies in the cliché of 'tone is set at the top'. The Corbyn leadership didn't just preach unity within the Labour Party, they also strove to practice it. Interestingly, Holden has found one clip of McSweeney speaking to camera in July 2019 at a meeting hosted by Labour Together on 'How we can build a 21st Century Labour Party?'.

Also present on the platform is the Director of Progress, the Director of Momentum (Laura Parker) and Neal Lawson – a friend of Jon Cruddas - who as Director of Compass was heading a group that sought to reconcile different factions and traditions within Labour as exemplified by Progress and Momentum. Holden notes that both Parker and Lawson would later fall foul of McSweeney's political project and denounce it, but in July 2019, McSweeney was utterly convincing and played both of them like a fiddle.

The next part of the Review will consider the funding of Labour Together and how it was kept out of the public domain for so long and its significance.

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money and uses the newly created money to hire the workers made unemployed by the increased spending on oil imports. However, there are many practical issues that have to be resolved in moving the newly unemployed from old industries to new industries.

Many people believe that the government must borrow the money from the private sector to finance its deficit. In fact they are encouraged to believe that, since it implies that the government is dependent on the private sector to fund its policy decisions and that the private sector can veto government spending that it does not like. It's a false belief.

A currency creating government has no need for private sector money. The US officially became a currency creating government in 1971 when it moved off the gold standard. So the US had no need to borrow from the Saudis the money it needed to spend to stop unemployment rising because of the reduction in demand caused by the increased cost of oil imports.

However, the Saudis wanted somewhere safe to put their newfound wealth. The US and the Saudis appear to have done some sort of deal in 1972 that if the Saudis only accepted payment in US \$ for oil exports then the US would guarantee to create sufficient interest paying US bonds that the Saudis could buy. That would be a great deal for the Saudis. They were allowed to exchange their dollars for a riskless interest earning asset.

Why did the US enter into such an agreement? Most certainly not because it 'needed the dollars'. Since the US state is the monopoly issuer of dollars, it does not need to borrow dollars from another state. It promised to issue US bonds that would allow the Saudis to put their surplus income in riskless interest earning assets so that it could bind the Saudis tightly into the US financial system.

Being bound into the US financial system has huge advantages. You can use the system to buy and sell things anywhere in the world. In the remotest regions of the world, you can use your debit or credit card to buy things.

However, if the US chooses to sanction a country then the financial system becomes a choke point to prevent and discourage other countries from trading with the sanctioned country. The US has been sanctioning Venezuela for over 10 years. That meant that no company that normally used the US financial system could use that system to engage in trade with Venezuela. No such company could use the system to buy oil from Venezuela or help in the production of Venezuelan oil. However in recent years China has been engaged in buying oil from Venezuela with Chinese Yuan. And Venezuela has been buying products from any country that would accept Yuan in payment.

Trump decided that a clear message needed to be sent out that no such undermining of American sanctions could be tolerated particularly if

that undermining was being carried out by China, its peer competitor. That was the main reason for his recent intervention in Venezuela. That could not of course be openly stated so it was sold as a venture to end drug smuggling into the US and to gain access to Venezuela's large but uneconomic, at today's prices, oil reserves. It is unclear how it will play out.

What's important about the petrodollar system is not the actual amount of dollars. What is important is the fact that it binds oil exporting countries into the US financial system.

By insisting that oil—the most important traded commodity in the world—is priced and settled in dollars, the US ensures that virtually every country must interact with the dollar-based financial system simply to meet its basic energy needs. This creates a constant global demand for dollars and, more importantly, for access to US-regulated payment, clearing, and settlement infrastructure. The key point is not the currency itself, but the *plumbing* through which dollar transactions flow.

In this way the petrodollar system significantly enhances the ability of the United States to undermine political regimes it dislikes through sanctions, because it concentrates global trade, finance, and liquidity management within institutions that the US controls or heavily influences.

# Venezuelan oil, Sanctions and Petrodollars

By Michal Lerner

The name Petrodollar is used to designate dollars that are used to buy oil.

So if country X buys 1 million barrels of oil at \$70 dollars per barrel from an oil exporter and pays for that oil in dollars, then an account at some US bank will be marked up by \$70 million.

The \$70 million in that account are called petrodollars even though they are just dollars. They are called petrodollars because they have been used to buy oil. Usually an oil exporter will pay its earnings from oil sales into an account that is only used for oil transactions.

When an oil exporter sells oil, it will typically want to be paid in dollars. This means that an oil buyer must get its hands on dollars if it wants to buy oil. European countries are able to buy dollars on the foreign exchange markets which will happily accept euros or British pounds in exchange for dollars.

However poor countries will struggle to buy dollars with their currency since the foreign exchange markets would not want to hold their currency. This often means that poor countries have to go, cap in hand, to institutions like the IMF and the World Bank to get the dollars that they need. These institutions are essentially controlled by the US and can impose political and economic conditions on the poor countries.

An oil exporter will want to be paid in dollars because it knows that there will be no

sudden changes in the value of that currency. The dollar is a good currency in which to park money that you don't immediately want to spend. Hence the dollar is called a reserve currency.

In 1960 an American worker, earning \$100 a week, might only spend \$10 on oil. The other \$90 would be spent on other, mainly American, produced goods and services. (These figures are illustrative rather than accurate.)

In the 1970s the oil exporting countries hugely increased the price of oil.

After 1973 the American worker found he was spending \$40 per week buying oil imported from Saudi Arabia. The Saudis were now receiving \$30 per worker per week more than they had previously received in payment. If the Saudis did not spend their newly acquired wealth buying American goods and services this would have reduced demand in the US economy and resulted in massive unemployment.

There is a basic accounting identity in economics:  $(S-I) = (G-T) + (X-M)$

Where S is private sector savings, I is private sector investment, G is government spending, T is tax revenue, X is exports and M is imports. This accounting identity is not disputed by neoliberals or Marxists.

Let's suppose the American economy was close to full employment in 1973. The huge increase in the oil price

led to a huge increase in M as money flowed to the Saudis. To retain full employment, the value of the other variables in the equation had to change to counter the increase in M.

For instance, suppose the Saudis had spent all their newfound wealth buying American goods, the value of X (exports) would have increased and cancelled out the increase in M (imports). However, there was no way the Saudis could have consumed all the extra products and services they could now afford to buy. So the value of X was not going to increase significantly. What other variables could change?

Consider S (savings): The American worker could have used savings to continue with his current level of consumption. But that's not a long-term solution. Savings eventually run out.

Consider I (investment): The private sector could have increased investment to match the drain of demand caused by increased imports. But in an uncertain world, investment activity will more likely decline.

Consider (G-T): This is the government deficit. If the government increases the deficit to match the increased cost of Saudi oil imports then there is no significant reduction in employment.

Where will the money come from to finance the increased deficit? It's simple in theory. The government creates the

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