

# Labour Affairs

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## Whether Burnham wins or loses, the future of the Labour Party is not guaranteed

The Makerfield by-election is the most important by-election in recent years. It is almost a pre-run of the 2029 general election which may well determine whether the Labour Party survives.

Makerfield has been represented by Labour MPs since its creation in 1983. Labour would typically get between 50% and 60% percent of the vote. It was a 'Leave' voting constituency in the Brexit referendum. Over 5 people voted to leave the EU for every 1 who voted to remain. Inevitably, in the 2019 general election, when Starmer tried to force a 2<sup>nd</sup> Brexit referendum on the country, the Labour vote dropped to 45% having been 60% in Corbyn's 2017 election. In the 2024 general election, it remained at 45%.

In the local elections on 7<sup>th</sup> May, numerous wards in Makerfield abandoned Labour for Reform.

Was this because the erstwhile vote for Labour has finally decided that the Labour Party no longer reflects their interests?

The answer to that question will be made clear on 18<sup>th</sup> June. We suspect that those who had voted Labour in 2024 were of the opinion that a Labour Party led by Starmer would not represent their interests. But now Andy Burnham, a local lad who lives in the constituency and has had a successful 9 years as mayor of Manchester City, is standing and has made it clear that he understands well the dissatisfaction felt by one-time Labour voters for a Labour Party led by Keir Starmer.

This really seems like a last chance for Labour. If a local lad with a commitment to changing Labour is unable to persuade those who voted Reform in the local elections to return to voting Labour in a Westminster by-election, then it

seems very likely that Reform will emerge as the largest party in the 2029 general elections.

However, it is far from clear that Andy Burnham, if elected, will be able to change the Labour party to the extent that is needed for it to do well in 2029. Burnham's natural tendency is to be nice. He finds it easier to surrender to identity-politics than to challenge it. He committed to accepting Reeves' fiscal rules when put under pressure and weaseled out of his former doubts about those rules. Has he ever had the courage to call what Israel is doing in Gaza the genocide that it is? Has he ever criticized the eastward expansion of NATO which led to the war in Ukraine?

In short, Burnham has yet to prove that he has the mettle to transform the Labour Party back into a party

that erstwhile Labour supporters will again support. If Burnham wins, a first major test will arise in the 2<sup>nd</sup> half of 2026. The effects of the Iran war and Ukrainian war will begin to have a huge effect on real wages. Strikes will begin as workers attempt to defend their real standard of living. A wage/price spiral seems distinctly possible. How would Burnham deal with this crisis?

It is worth remembering that Burnham was very much Gordon Brown's protégé. And Brown effectively delegated the problem of dealing with inflation to the Bank of England. The decision to give the BoE a more explicit and formal responsibility for controlling inflation was taken by Gordon Brown in 1998 when he gave the BoE

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### Labour Affairs

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Editorial Board: Christopher Winch,  
Jack Lane and Gwydion Williams

LabourAffairs@virginmedia.com

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Editorial Addresses:

No. 2 Newington Green Mansions  
Green Lanes, London N16 9BT

33 Athol St., Belfast, BT12 4GX

sole responsibility for deciding interest rates. Why is control of the interest rate considered important? The BoE believes that there is a strong correlation between inflation and the rate of employment. An area of economic theory, called the Phillips Curve, deals with this relationship. A high rate of employment puts workers in a strong bargaining position which means they can demand higher wages. In an inflationary situation, the BoE considers that it is necessary to reduce that bargaining power by creating unemployment. An increase in the interest rate will, it assumes, reduce demand, increase unemployment and so

help, ultimately, reduce inflation.

This institutional architecture to dealing with inflation emerged after Thatcher came to power in 1979. Though she set out to more systematically destroy the bargaining power of the trade union movement with anti-trade union legislation that has largely persisted to this day. Blair and Brown did little to reverse it when Labour finally returned to power in 1997. This institutional architecture did not emerge from nowhere. It is the legacy of choices made — and, crucially, choices *not* made — in the 1970s.

That decade saw

serious attempts to find a way of dealing with inflation. The Wilson government's *In Place of Strife* proposals (1969) attempted to institutionalise labour relations before the inflationary crises of the 1970s took hold — and were abandoned under trade union pressure. The tripartite talks of the mid-1970s — bringing together government, employers, and unions in a coordinated incomes framework — collapsed when the social contract unravelled. The Bullock Commission on industrial democracy (1977) proposed giving workers a formal stake in corporate governance through board-level representation, which might have created the conditions for wage restraint through partnership rather than coercion. But it was rejected from almost every direction. Employers opposed it as an unacceptable intrusion into managerial prerogative. And the trade

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unions were scarcely more enthusiastic: while the TUC gave formal backing, many individual unions feared that worker-directors would be absorbed into management culture, their independence compromised and their shop-floor bargaining role hollowed out.

When these cooperative approaches failed or were blocked, the field was left open for a different solution. The monetarist turn of 1979-80, and the institutional reforms that followed, embedded the Phillips curve logic so deeply into our policy architecture that it now appears to be the only available tool.

But it isn't. The Phillips curve approach treats inflation as a demand problem to be solved by destroying purchasing power. A wage-price spiral, however, is fundamentally a *distributional conflict* — a struggle over who bears the cost of an external price shock.

Unemployment does not resolve that conflict; it simply coerces one side into surrender.

The alternative is to manage the distributional conflict directly: through coordinated wage bargaining, sector-level incomes agreements, excess-profit levies on firms that use inflationary cover to expand margins, and — crucially — institutional mechanisms that give workers confidence an inflation generated by outside events will be distributed in a way that is based on the ability to bear that inflation.

This requires revisiting the kind of tripartite and corporatist arrangements that were attempted and abandoned in the 1970s — not naively, but with an understanding of why they failed then, and what conditions might make them work now. It means asking whether trade union density, sectoral bargaining frameworks, and works council-style representation could be

rebuilt in a labour market that looks very different from that of fifty years ago.

It also requires a frank political argument: that the current institutional settlement — in which the Bank of England is handed the inflation problem and left to solve it by increasing unemployment — is not a technical necessity but a political choice. And it can be unmade.

It seems likely that Burnham, or whoever leads the Labour Party in the 2<sup>nd</sup> half of 2026 and beyond will have to seriously revisit the problem of how the costs of an external shock are distributed throughout the society. Would a Labour Party under Andy Burnham be up to that task? If they are not, Reform will win in 2029.

## Sahra Wagenknecht's newsletter

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

Merz is the most unpopular Chancellor of all time! According to a recent poll, 87 per cent of citizens are dissatisfied with the work of the federal government. A majority would like to see an early end to the coalition between the CDU/CSU and the SPD. Merz was even booed on stage at the DGB [German Trade Union Confederation]. No wonder: the divided federal government can't even manage to protect citizens from skyrocketing fuel prices. Whilst inflation is at its highest level in two years, Merz and his team are simply sitting on their hands following the embarrassing failure of the €1,000 bonus [Germany's proposed €1,000 tax-free employee bonus (known as the *Entlastungsprämie*) is currently stalled. While the German parliament initially approved the voluntary scheme, the

*Bundesrat* vetoed the legislation. Employers are not currently legally authorized to pay this specific tax-free relief].

We urgently need policies that make life affordable for citizens again! Yet instead of seizing the opportunity to deploy former Chancellor Schröder to negotiate an end to the war in Ukraine and the resumption of cheap energy imports from Russia, the federal government prefers to travel to Kyiv to broker new arms deals with the corrupt Zelenskyy government at the taxpayer's expense. It is high time to put an end to this madness!

### **Merkel is right!**

Even Angela Merkel is now calling for negotiations to end the war in Ukraine. What a damning indictment of the self-appointed 'Foreign Chancellor' Merz, who has done absolutely nothing diplomatically in his first year in office! Why Europeans should not leave the negotiating to Trump, and why the German government

must stop prolonging the war with billions in handouts to the corrupt Zelenskyy government – I discuss these and other questions in an interview with WELT TV [WELT TV is one of Germany's most popular private news channels.].

### **Take to the streets against Merz!**

The economy is in freefall, the cost of living is rising, people have less and less money in their wallets – and the best the government can come up with is to cut pensions and healthcare? If this government carries on for another three years, Germany will be almost beyond saving! That's why we're taking to the streets: on Thursday, 28 May, at 5 pm in Berlin on Lucie-Leydicke-Platz. Joining us will be our leading Berlin candidates for the House of Representatives, Alexander King and Michael Lüders. Come along and make a stand with us: for a different kind of politics at federal level and in the capital.

Merz must go!

### **No to pension cuts!**

Merz wants to wreck the state pension scheme. Allegedly because, given Germany's age structure, there is no alternative. The question is: how does our neighbour Austria, with a similar age distribution, manage to ensure that someone who has paid into the scheme for many years receives, on average, 800 euros more in pension than in Germany? Could it perhaps be because everyone there – including civil servants, the self-employed and politicians – pays into a pension fund? Or because the state subsidy for pensions in Germany has been shrinking for years relative to economic output, as the money is apparently being channelled into weapons and the corrupt Ukraine instead?

### **Firewall fiasco**

[The 'firewall' is the notion that there should be no dialogue or contact whatsoever with extremist groups (meaning AfD) ]

There is great commotion in the Saxon state parliament: a motion by the Greens to support small slaughterhouses has secured a majority with votes from the BSW and AfD. Does anyone who votes in favour of a motion they believe to be right destroy democracy? And is anyone who stands with the Greens for greater animal welfare a right-wing extremist? With this crazy logic, the saviours of 'our democracy' have thoroughly made fools of themselves...

### **Time for peace!**

Saxony-Anhalt is at a turning point: rising prices, job insecurity and growing uncertainty are shaping the state. At the same time, people are being asked to make sacrifices, whilst a misguided foreign policy is increasing the risk of military escalation. Why Germany needs peace and how a consistent peace policy can be implemented in practice in the state parliament – I will be discussing this next Wednesday in Halle with Claudia Wittig, the BSW's lead candidate

for the state election, and Johannes Varwick, a political scientist and member of the BSW's Core Values Commission. All information about the event can be found [here](#).

### **End EU sanctions against journalists!**

For the past year, the German journalist Hüseyin Doğru has been subject to sanctions imposed by the European Union. His only 'crime' is that he has carried out his work as a journalist and reported critically. The result: drastic restrictions that threaten his and his family's livelihood. This attack on freedom of expression must be stopped! An international alliance of journalists, artists, politicians and public figures has now issued an [appeal](https://free-dogru.com) [https://free-dogru.com] to the German government, calling for the immediate lifting of the EU sanctions. I have signed the petition and would be delighted if you would also support this cause.

From 7<sup>th</sup> May Newsletter

# How Employment Law is enforced in the UK

Report by the Institute of Employment Rights (IER)

**An IER briefing that analyses the Government's Fair Work Agency. It warns that the Government's new workplace watchdog risks failing to deliver meaningful protections for workers unless urgent changes are made.**

The briefing, authored by **Prof David Whyte**, Queen Mary University of London and **Prof Ruth Dukes**, University of Glasgow highlights longstanding weaknesses in the UK's system of workplace enforcement and argues that the new Agency could repeat past failures without stronger powers and funding.

The Fair Work Agency brings together the functions of existing labour market enforcement bodies into a single organisation. However, the briefing warns that:

- The Agency will operate within a weakened regulatory system, with funding for enforcement bodies reduced by at least 58% in real terms
- Workplace inspections and enforcement activity have fallen sharply over the past 15 years

The briefing calls on the Government to:

- Ensure the Agency is properly funded, with ring-fenced resources to support its expanded remit
- Introduce a robust inspection regime without advance warning to employers
- Establish a credible threat of prosecution for non-compliance
- Give trade unions a central role in enforcement, including the ability to bring cases to court.

Extracts of the IER briefing are given below.

<https://www.ier.org.uk/wp-content/uploads/Fair-Work-Agency-060426.pdf>

As the Green Paper [*New Deal for Working People*] noted, breach of employment law

in this country is all too common, especially in sectors and workplaces where a large proportion of workers are low-paid and on precarious contractual arrangements. There is no labour inspectorate, as such, in Britain but instead a fragmented, complex and incomplete patchwork of different enforcement agencies with different responsibilities, remits and powers, all suffering from secular underfunding. At a time when the vast majority of workplaces have no trade union presence, the inadequacies of labour inspection mean that enforcement of employment law relies for the most part on the capacity and willingness of individual workers to take claims to the employment tribunals.

Over the decades, the tribunal system has become overburdened and is now widely understood to be in crisis in England and Wales.

The FWA replaces three existing agencies with inspectorate and enforcement powers in respect of employment rights. These are the National Minimum Wage Unit within HM Revenue & Customs (NMWU), the Gangmasters and Labour Abuse Authority (GLAA) and the Employment Agency Standards Inspectorate (EAS). The FWA also assumes the role of the so-called Director of Labour Market Enforcement (DLME), an office that was created in

2016 to coordinate the work of these three agencies.

From 7 April 2026, the FWA assumes the existing functions of these three agencies, and the DLME, all of which will then cease to exist. At a later date, not yet specified, the Government has said that it will extend the remit of the FWA to cover enforcement of holiday pay, statutory sick pay and the new Fair Pay Agreements for school support staff and social care. Under the Employment Rights Act, powers exist for the Secretary of State to expand the remit of the FWA further, to include additional employment rights.

[That seems to mean that there is no enforcement of the law regarding holiday and sick pay.]

The FWA comprises all the existing staff of the NMWU, GLAA, EAS and DMLE. This means that, initially, it will have around 600 inspectors in total working across the whole of the country.

The first Chair of the FWA is Matthew Taylor. Matthew Taylor is a former political strategist, known for advising Tony Blair as Head of the Number 10 Policy Unit, and for other public sector and third sector roles. In 2017, he was asked by Prime Minister Theresa May to lead an independent review of working practices. The resulting *Taylor Review* drew criticism from experts for its failure to adopt an evidence-based approach and for its failure to recognise the importance of trade unions to enforcement and compliance.

## IER Concerns

### **i. Fragmented regulatory system**

The original intention behind the creation of a new enforcement body was that it should be a *single* enforcement body, with a remit encompassing health and safety and equality law as well as the minimum wage, agency work and worker exploitation. As it stands, the FWA falls short of that, replacing three agencies, as already explained, but leaving in place

several more, including the Equality and Human Rights Commission and the Agricultural Wages

Inspectors. The enforcement field therefore continues to be characterised by some degree of fragmentation, complexity and potential inefficiencies.

### **ii. No formal role for trade unions**

Experience in other countries – and in this country in previous decades – shows that state enforcement works best when enforcement agencies work together with trade unions. While even the best-resourced agencies do not have the capacity to make regular inspections of every workplace in the country, trade unions can perform inspectorate-like functions through the presence in workplaces of shop stewards and other lay representatives, and they can act as a trusted body to which workers can report suspected breach of the law. They can inform workers about their legal rights and assist them with the logging and processing of complaints, and they can provide information to state agencies, helping them to decide how best to use the resources that they have.

In some countries, for example, Germany and Italy, the positive contribution of trade unions to employment law enforcement and compliance is formally recognised in law.

Unions may have legal duties in this regard and legal rights, for example, a right to bring cases to the courts and tribunals on behalf of members and other workers. In Britain, there has been little formal recognition, to date, of a trade union role in this context and there is no indication that the creation of the Fair Work Agency will do much to change that. The ERA [Employment Rights Act] could have (but did not) introduce worker representation along the lines of the Safety

Representatives and Safety Committees Regulations 1977 (or, in the absence of union recognition, the Health and Safety (Consultation with Employees) Regulations 1996). In fact, no provision is made in the ERA for any new rights or powers for trade unions or workers in respect of employment law enforcement. A new power to bring proceedings in the employment tribunal on a worker's behalf, and to offer legal advice and assistance where someone is, or may be, party to civil legal cases related to employment or trade union law, is

bestowed not upon trade unions but upon the FWA itself.

### **iii. Funding landscape**

Previous research by the IER on the HSE has documented its declining funding base.

Since 2009, HSE funding has been reduced significantly: falling from £239 million in 2009–2010 to £121 million in 2019–2020.<sup>12</sup> When inflation adjusted, this amounts to a real-terms reduction of 58% in central government funding. These funding cuts inevitably affected

staffing numbers. Between 2010 and 2020, total HSE staff fell by 36%, with frontline staff, including all inspectors, declining by 28%.<sup>14</sup> The unrelenting and uneven assault on local authority funding has led to a similar vacuum in enforcement.<sup>15</sup> According to those local authorities which recorded this data with HSE, in 2009/10, there were 1050 FTE local authority health and safety inspectors; by 2019/20 there were just 454, a decline of 57%.

Indeed, by 2019/20, in some local authority areas there was no bespoke health and safety enforcement regulatory coverage whatsoever: 35 of the 353 local authorities which provided data—that is, one in ten—reported having no full-time-equivalent (FTE) health and safety environmental health officer. We should note, in this respect, that local authorities have responsibility for regulating some significant industrial sectors, including shops, retail and wholesale, warehouse and call centres, offices, hotel and catering,

consumer and leisure premises.

While health and safety currently falls outside of the scope of the FWA (although see our comments above), the HSE is Britain's largest workplace regulator and for this reason offers an important contextual example of the regulatory *milieu*. These figures indicate the context within which the FWA will operate – namely, in a regulatory eco-system in which there are major enforcement gaps, and where other regulators have a severely reduced capacity. The experience of the HSE also provides a warning to the FWA of the dangers of under-funding.

#### **iv. The erosion of credible scrutiny and enforcement**

The declining enforcement capacity of the HSE and of local authority health and safety regulators can lead to a tendency whereby primacy is given to the protection of employers' interests over those of workers.

Work by IER experts has tracked a dramatic erosion of workplace health and safety inspections. In summary, this work has found that:

- total HSE Field Operations Directorate inspections fell by 72% between 2009/10 and 2019/20.

- if we take the number of inspections by HSE (less than 18,000 each year) in the context of the

numbers of premises for its inspectors have enforcement responsibility (around 900,000), we can surmise that the average workplace can now expect an inspection much less than once every 50 years.

- the total number of health and safety visits by local authorities fell by 80% between 2009/10 and 2019/20. Preventative visits fell by 94% over the same decade.

#### **v. Employer-friendly enforcement**

Any credible system of regulation requires three conditions to be in place: first, that inspectors actually have a credible presence within workplaces (to inspect routinely, to investigate incidents etc); second, that escalation towards greater punitiveness on the part of

inspectors is possible and, where the circumstances demand it, likely; and third, that sanctions formally at the disposal of both regulators and thus the courts are credible ones. Where those conditions are not met, employers are given free rein to flout the law.

Our evidence base shows that regulatory strategies in the HSE changed under conditions of severe funding cuts set out in section iii. above. In order to deal with this crisis, the HSE not only eviscerated physical visits

and formal enforcement, but to make up for this enforcement gap, it also pivoted towards less stringent and less labour-intensive forms of regulatory intervention, and implemented new, intelligence-driven forms of 'targeted intervention'. As

IER evidence demonstrates, those strategies deepened the regulatory crisis and effectively expanded the number of workplaces with no regulatory cover.

From 2011, onwards, the Coalition government took a series of Ministerial-level decisions that created a new category of 'low risk' workplace which effectively removed the majority of workplaces in Britain – including some where the most deadly classifications of work are carried out – from routine, unannounced, inspections. Indeed, when *Hazards Magazine* investigated where deaths caused by sudden injury in the workplace actually occurred, it found that 53% of such deaths were in government defined 'low risk' working activities.

## IER Proposals

### **i. Restoration of funding across the workplace regulatory system**

- The FWA and other workplace regulators must have their funding restored to previous, pre-2010 levels, and must be funded to take up

the FAW's new functions set out above. Given the severity of the austerity-driven assault on public funding of regulators, this would mean an immediate 40-50% real terms restoration of funding across the board.

- Funding for workplace regulators must be ring-fenced and index-linked.

### **ii. A credible inspection and enforcement regime**

- Planned inspection regimes in which employers can expect a proactive, unannounced inspection with a reasonable interval between visits (as anticipated in *New Deal for Working People*.)

- A credible threat of prosecution and enforcement action for all those who are found to have breached the law. This means key performance indicators which include targets for both inspections and regulatory enforcement.

### **iii. A central role for trade unions**

- Workers and their trade union representatives should be fully involved in the setting of enforcement targets.

- Workers and their trade union representatives should be given a right to bring cases to the courts and tribunals on behalf of members and other workers.

### **iv. A central role for workers**

- Where there is no trade union recognition agreement, trade union representatives should be given access

to workplaces in order to strengthen regulatory scrutiny, encourage compliance and document breaches of law.

- Elected trade union representatives should be given the power to issue 'Provisional Improvement Notices' (similar to the system used in Australian workplaces) that would automatically trigger investigation by the FWA.

- An immediate reform which ought to be implemented is the requirement that employers produce a 'Fair Work Compliance Statement' which workers can verify.

This proposal was set out in an earlier IER pamphlet on the National Minimum Wage regulations.

### **v. Protection for workers**

- Anonymity for workers following any FWA contact must be guaranteed; anonymity cannot be the reason an incident is not investigated or followed up (as anticipated in *New Deal for Working People*).

- As part of this guarantee, the FWA must have full administrative separation from any agency responsible for immigration and border control. In order to prevent mission creep and avoid jeopardising the protection of migrant workers, this separation must include a strict administrative and operational firewall across agencies.

# Is the EU already showing signs of disintegration?

By Eamon Dyas

Germany began sacrificing its future prosperity in 2008 when it was convinced by the EU Commission to agree to the Commission's proposal to "unbundle" its energy sector - a move that effectively ceded national control over its energy sector and one which the Commission went on to use (via its trade competencies under the EU Treaty) to constrain the future use of Russian energy. (For details see the third article in my series on "Ukraine and Russian Energy" in Labour Affairs) <https://labouraffairs.com/2025/07/01/the-power-of-the-european-commission/>. This constriction increased gradually over the years until by the time that Russia came into direct military conflict with Ukraine in 2022 the final severance was not felt as traumatically as if it had come suddenly.

Are there elements within the EU that are now attempting a similarly damaging move when it comes to Germany's trade links with China? The EU can't be unaware of the impact on Germany of such a move in the same way that it was not unaware of the damage its policy of restricting and then banning cheap Russian energy was to have on Germany in 2008.

But is there a pattern emerging here when it comes to the EU and Germany? Can this most recent iteration of the trend - if trend it is - be anything to do

with the manner in which the EU's anti-Russian strategy has led to the rise of the likes of Poland?

What may have begun as a straightforward positioning of the EU in its hostility towards Russia (and the necessary supporting and resourcing of the likes of Poland and the Baltics) failed to take account of the fact that these countries had their own inner momentum and national aspirations. Those national aspirations reflected a growing assertion of their recently liberated bourgeois class with ready-made anti-Russian ideologies to provide the perspective that fitted the anti-Russian perspective of the EU at the time.

However, in providing the huge capital investment necessary to buttress these countries' hostility to Russia while at the same time inflating the danger that Russia posed to Europe the EU has fed the appetite of the growing economic ambitions of these countries in their own right. The result has been that what had previously seemed to be an eternal hierarchical structure within the EU no longer looks so permanent and the deference towards Germany as the power-house of Europe is dissipating as fast as its manufacturing strength.

Are we now witnessing the beginnings of the hungry glow in the eyes of the younger beasts in the European pack as

they gather around the aging and declining strength of its old leader? And is Germany wakening up to the dangers that are emerging from within the EU? It remains to be seen. But we have seen recently a proposal from the German Foreign Minister Johann Wadephul stressing that an EU with over 33 members could not continue operating under rules designed for a smaller bloc - a position that is shared with a number of the "older" members of the EU. Then there is this from Germany (see article from Euronews below) which would indicate that its acquiescence in 2008 is no longer a feature of Germany's willingness to facilitate what is being sold to it in 2026 as something that is in the interests of the wider EU. If this is the case then it would indicate that there are structural fissures opening up which could eventually bring the whole edifice down.

**Germany resists EU members' push for a tougher stance on China**

**German Trade Minister Katherina Reiche is in Beijing this week seeking to strengthen industrial ties with China, even as several EU member states push Brussels to take a tougher line against the Asian giant over overcapacities.**

German Trade Minister Katherina Reiche is travelling

to China from Tuesday to Friday as Berlin's trade deficit with Beijing continues to deepen.

The trip comes two days after several of the EU's largest economies – France, Spain, Italy, the Netherlands, as well as Lithuania – issued a non-paper urging the EU to crack down on Chinese overcapacity and unfair trade practices.

Berlin, however, did not endorse their call.

Germany remains the main chokepoint in the EU's strategy towards China. While Euronews previously reported that the publication late last year of Germany's trade deficit with Beijing marked a turning point for the EU executive, which is trying to sharpen its trade defence tools, Germany continues to favour cooperation with the Chinese.

In March, German Chancellor Friedrich Merz called for a trade agreement with Beijing. Brussels pushed back against the idea.

“There are a number of concerns and real challenges that the European Union has consistently expressed to China that we need to see them meaningfully address before we can even talk about any future agreements or anything like that,” the Commission's deputy chief spokesperson, Olof Gill, said at the time.

Even with a record €87 billion trade deficit with China, Berlin hopes Beijing will keep its market open to German industry, despite the obstacles faced by EU businesses in China and the Asian giant's strategy of

reducing its dependence on foreign products.

### Access to China's market

The main objective of Reiche's visit this week is to discuss potential economic cooperation. According to the German government, the strategy is to explore future opportunities for collaboration while maintaining dialogue with the Chinese leadership.

Despite a steadily growing trade deficit, China remained Germany's most important trading partner in 2025. According to the Federal Statistical Office, bilateral trade volume reached €250 billion. Around 5,200 German companies operate in China, making the country one of the most important foreign markets for Germany's automotive, mechanical engineering and electrical industries.

During the trip, Reiche is expected to hold political talks, attend a business forum and visit local companies. She will be accompanied by a business delegation representing around 40 companies. Discussions are also set to focus on the development of energy technologies.

“We hope the visit will help to transfer the insights gained on the ground into the political discussion in Berlin and to further develop bilateral exchange,” said Oliver Oehms, Executive Director of the German Chamber of Commerce in China.

In a survey published in May by the chamber, 51% of German companies operating in China supported policies

favouring partnerships with Chinese companies, while 42% backed the “strategic” use of knowledge gained through such partnerships.

But these sectors are also increasingly under pressure, as Chinese competitors benefit from extensive state subsidies.

According to a report published in May by the EU think tank Centre for European Reform, the growing concentration of global car, machinery and chemicals production in China could weaken innovation in traditional manufacturing hubs and increase Beijing's leverage over Berlin through the threat of supply disruptions, similar to its blockade of rare earth exports in 2025.

The report added that demand generated by Germany's fiscal stimulus after easing its debt brake could end up boosting Chinese imports rather than supporting Berlin's domestic industry.

German exports to China fell by 9.7% year-on-year, while imports of Chinese goods such as electronics, electric vehicles and components rose significantly by 8.8%.

“China has already eaten much of German industry's lunch and is preparing to start on dinner,” the report said.

<https://www.euronews.com/my-europe/2026/05/26/germany-resists-eu-members-push-for-a-tougher-stance-on-china>

# God and Evolution: The Good, the Bad, and the Ugly

By Gwydion M. Williams

## Being a Post-Leninist

Born 1950, I grew up in an Age of Hippies. But I never quite was one. I was a committed Leninist, Maoist in fact. And I never smoked pot.

I watched things come apart in the 1970s. Workers Control was briefly a real possibility, but pro-Moscow Leninists were against it as a needless compromise with 'late Capitalism'. They at least had a system that was a winner at the time: the main alternative was Trotskyists, convinced they were just about to become winners after 50 years of failure.

Another 50 years of failure has taught the Trotskyists little or nothing (<https://labouraffairs.com/2025/10/01/trotskyism-a-century-of-failures/>). And pro-Moscow Leninists failed to understand that their system was doomed when it suppressed the attempts by Slovak Leninists to carry through reforms similar to those which Deng Xiaoping later managed brilliantly in China (<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/>). Gorbachev was a joke reformer, ignoring Deng's advice to keep Leninist politics intact and use its solid authority to improve the economy. He destroyed what he tried to save. And Yeltsin as another bungler did gigantic damage to what was still a productive economy that gave

millions of people a decent life (<https://labouraffairsmagazine.com/m-articles-by-topic/m99-topic-menus-from-long-revolution-website/46-globalisation/1473-2/>).

Why did Leninism have a gigantic run of success from 1917 to the 1950s, and then fall apart in Europe in more recent decades? The New Right like to pretend it never happened, even spreading the notion that the USA was liberator of Europe despite it being the Soviets who broke the back of Germany's formidable war-machine (<https://www.quora.com/q/mrgwydionmwilliams/Nazi-Germany-Was-Defeated-in-Russia>). But Asian Leninists never pretended that there was much difference between Lenin and Stalin. And in China especially, almost everyone assumes that a strong state is a necessity for civilised life.

And it's a fact that non-civilised life is just as coercive: just not so obvious to an outsider. Not to people who swan through it with the protection of a powerful home society: those strangers lacking such protection generally don't live to tell the tale. And visitors see only what the tribalists want them to see.

Tribal societies impose a narrow pattern of behaviour on tribe members, with irregular violence to maintain it. With death or expulsion for those who determinedly won't fit in. I've also heard it said that African coming-of-age rituals

do not just severely test youths expected to become warriors, but there is manipulation to kill off those who look like committed troublemakers. The people most likely to object to such behaviour are also the most likely to be killed off in a society or a subculture where police are absent.

The Marxist class analysis of history is much better than anyone else's, yet still incomplete. Sometimes dangerously misleading, and Western Marxists from the 1960s were mostly misled. It was particularly unwise to badmouth Stalin and the whole Soviet experience, without expecting right-wingers to take advantage. And there were also a lot of delusions about spontaneous human goodness being there to burst forth if only nasty coercive state power were not there.

Engels in his famous *Origin of the Family, Private Property and the State* is way wrong in adding *Primitive Communism* as the original human condition. He does correctly mention that every tribe was inherently at war with every other tribe unless a specific peace had been made. But might have called it *Family Collectivism*: to me this seems a much less misleading name. Families share with each other, but much less with outsiders.

Considering the primitive condition to be *Family Collectivism*, the state and state monopolies of violence look like a natural result of humans

living in groups larger than a tribe. Rival families don't necessarily extend their concern to non-relatives. Slavery seems to exist in every society that has agriculture, suggesting that this is members of weaker families being intimidated into obeying the strong.

Classical Greece and Rome were exceptional in having most farming done by actual slaves, and in constant wars to produce those slaves. The norm was unfree peasants who were protected against being sold like animals. But in Imperial China, almost all peasants were free. Chinese slaves were mostly servants in rich families, and some of them could do very well out of it.

I'll come back later to how the four first river-valley civilisations went different ways, with different and unconnected developments when the radical novelty of towns and cities became possible. First I want to look at the ideas of Progressive Evolution. The common ground between Marxists and the New Right

### **It's not a Bespoke Universe**

One British hippy slogan was **'There is a fault in reality, please do not adjust your mind'**. Based on the primitive television technology, when you might need to adjust your Vertical Hold or Horizontal Hold, but not if the broadcast itself had gone wrong.

It is rooted in a false vision of the world. People who'd been given great advantages when growing up did not feel they'd been given nearly enough. They'd get discontented with what earlier generations would have seen as a wonderful life.

And a sadly large majority of those same people when they became tax-payers decided that the next generation did not deserve more of the same. Not the free education or cheap housing that they'd benefited from.

For the diminishing minority who stuck to the idea of fairness and human equality, there was vast unrealism about romantic revolution. Not many would have known that Che Guevara always kept a positive view of Stalin, for instance (<https://labouraffairsmagazine.com/the-soviet-past/why-che-guavara-approved-of-stalin/>).

With encouragement from Thatcher and after the bulk of the left blocked reforms that would have changed everything, 1960s anti-authority attitudes became **'The Vastly Popular Front for the Liberation of Just Me'**.

Yet Libertarianism and the creeds of the New Right have basically failed. They have captured the politicians and the media, but they have lost the respect of most people.

After half a century of seeing those people in action, I'm quite definite that it was not even intelligent selfishness. It helps that I've read the entire published works of Adam Smith, and many books by his various fans. There is no logic in thinking that capitalism generates a decent morality if the state holds back, and plenty of observational evidence that it does not (<https://labouraffairsmagazine.com/m-articles-by-topic/48-economics/037-adam-smith-misleading/how-real-economic-growth-was-not-based-on-adam-smiths-ideas/>).

The West in the 1990s briefly had a chance to impose its own values on the rest of the world. It failed, because thinking was dominated by people convinced that things familiar to them were obvious and natural. That now they could revive things that they had not dared to when the Soviets were there as a serious alternative.

Keeping Russia prosperous and happy after the Soviet collapse would have cost a trillion or two, but they actually had those trillions. Russia might then have become an efficient enforcer of Western values on the Global South. China would not have been repelled by seeing their former Russian mentors humbled and exploited.

More widely, Baathist Iraq was the best prospect of actually moulding the diverse peoples of ancient Mesopotamia into something similar to a Western society. My own view was and is that it was none of our business what Iraq made of itself. But Bush and Blair and all their associates thought it would be easy. That they had both a right and a duty to impose Western values on people they'd saved as recently as 1987 (<https://labouraffairsmagazine.com/very-old-issues-images/magazine-001-to-010/magazine-004-october-1987/why-the-west-saved-saddam-hussein-in-1987/>).

From some Departments of Political Science, they picked up the idea of Westphalianism. The dogma that sovereign nations had not existed before the weak compromise that ended Germany's disastrous Thirty Years War (<https://labouraffairsmagazine.com/>

[problems-magazine-past-issues/problems-magazine-older-issues/p1-76-nation-states-existed-long-before-the-peace-of-westphalia/](https://en.wikipedia.org/wiki/problems-magazine-past-issues/problems-magazine-older-issues/p1-76-nation-states-existed-long-before-the-peace-of-westphalia/)).

The big trouble with lying is that what you say is not true. The same is true when fantasy is treated as applicable in the world you actually inhabit. Outside of Europe and the USA, New Right doctrine and the centre-left capitulation to it was as disastrous as the Brezhnev idea of 'limited sovereignty'. The delusion which from 1968 helped kill off what was left of home-grown socialism and pro-Russian feeling in Middle Europe ([https://en.wikipedia.org/wiki/Brezhnev\\_Doctrine](https://en.wikipedia.org/wiki/Brezhnev_Doctrine)).

Underlying this was a notion of a Bespoke Universe – a place designed for one's own particular needs. The Nanny State was not needed: a doctrine favoured by people who were alive and civilised because of actual nannies hired by rich parents, but who would often then scorn those women as serious inferiors. Everything was already there. Get rid of expensive and interfering state power and wait for God or Evolution to do their magic.

### **Many Massively Different 'Slave Societies'**

Isaidearlierthathumansstarted with Family Collectivism. For Marx and Engels, this then decayed into exploitation and class society. Slave societies, later progressively replaced by feudalism and then capitalism. And looking at the Indian subcontinent they added an Asiatic Mode of Production. Yet they ignored China, which for more than 2000 years had something that seemed just

as suitable for capitalism as Britain was.

I decided to rethink. It was the early Class Societies that created the possibility of larger societies, and even of human unity. But the first four human civilisations to emerge out of concentrated agriculture were very different from each other.

- Mesopotamia was first, and had an endless cycle of squabbling city-states, and its much-admired first Legal Code defined a difference between nobles, commoners, and slaves. There was some attempt to share power between monarchs and nobles. Perhaps even republics, but probably aristocrat republics. Not democracies but systems with a built-in advantage for nobles, as later found in Rome (<https://mrgwydionmwilliams.quora.com/Rome-s-Undemocratic-Republic>).

- Egypt was almost as old, and the two interacted. But Egypt gained unity: rulers erased the difference between the triangular Nile Delta and a narrow fertile Nile Delta as far south as what's now Sudan. And their lives were so different from all other humans that they never conquered much beyond. Pharaohs were absolute rulers, and unity was mostly defined by gigantic tombs for them. They would indeed have seemed god-like when they organised collective labour and simple technology to build the pyramids as new-born mountains.

- The Indus Valley is broadly mysterious. It lacked the caste system that must have arrived later with speakers of Indo-European languages who'd begun probably in

what's now South Russia or the Caucasus. Its ruined cities lacked anything that looks like a palace or a temple, but houses in its cities show richer and poorer districts. It had no signs of warfare, and walls may have been just to protect against flood.

That civilisation seems to have failed due to drought, with the early cast-based Sanskrit-speaking warriors and priests simply moving into and renewing the remains of that interesting culture. Aristocratic republics flourished for a time, and the original Buddha may have come from one.

- Early China, like Ancient Egypt, had absolute rulers, and not a trace of aristocratic republics. And its rulers were never more than men favoured by a link with Heaven. Officials were privileged servants of those rulers, but it was meritocratic. Clever commoners could rise to power as state-appointed Governors over rich families who mostly lacked inherited titles.

There were also two separate developments in the New World: in Central America and along the Andes. But those had their higher functions erased by Spain, and no longer count.

Mesopotamia is the root of Western ways of life. The concept of aristocratic republics seems to have been spread by people we call Phoenicians. Carthage, its highest expression, was recognised by Rome as a system similar to their own. Greeks had borrowed from Phoenicians both politics and letters: the societies depicted by Homer have much less of a role for commoners. He also assumes an illiterate society.

The epic has only a hazy memory of what would actually have existed if the Siege of Troy were a real event.

Engels's hopeful notion of a primitive human unity that would seem natural to us was fanciful. A hybrid of French and Germanic culture seemed possible, but he had no sympathy for various Slavs and other conquered identities re-emerging. He and Marx broadly ignored the Chinese Taiping, at the time the only armed communists anywhere in the world. Engels failed to see how similar it was to the intensely religious collectivists he'd described in his *Peasant War In Germany*.

The simplified Social Evolution that Marx and Engels outlined in the Communist Manifesto was a big advance on the similar system put forward by Adam Smith. They were clear about the destruction of independent small property, which Smith had expected to continue as part of general prosperity in a class-based society. Which today's New Right still claim to uphold, and blatantly do not uphold: a failure that produces current aberrations like MAGA and Britain's Reform party.

The Soviet Union lived and in the end died on the basis of the much-cherished version of a Universal Republic. Hampered by its practical basis in Russian culture, just as Napoleon's system was basically French. Leaders might come from the fringes: Napoleon was Corsican, Lenin had mixed Central-Asian and Swedish and Jewish ancestry, and Stalin was from an ancient people with a unique language, the

Georgians. All of them tried to create a universal culture based on an existing culture they themselves has entered as outsiders. But French culture influenced most of Europe well before Napoleon: Tolstoy's *War and Peace* is mostly about the Russian elite discovering that they were not in fact French. Even the Russian alphabet, close to the Europe-teaching Greek alphabet, is confusing to those growing up with the evolved Latin version.

The Soviet Union tried to be Universalist, but became a continuation of the open-ended imperialism of the Tsars. A system which already had the merit inherited from the Roman Empire of being willing to accept people of any ethnic background if they would set aside their origins and accept the majority culture.

China is in no way Imperialist: it is one of many states with a giant ethnic majority and a number of much smaller intermingled minorities. Tibet is the famous case, but it was the Tang dynasty with its merger of nomad culture into Chinese civilisation that spread Buddhism to Tibet. The people of the Tibetan plateau had previously been shamanistic and resisted the creed that had begun on the other side of the Himalayas. Tibet shares with the majority Han a language from the same language family, and its calendar is one of many variants of a system that began along the Yellow River. Tibetans intermingle both with Han and with the culturally Chinese Muslims called Hui. Hui dominated the region where the current Dalai Lama was born, and his elder brother was a senior cleric when he was

'discovered' as a rebirth of the previous Dalai Lama. No other version of Buddhism other than Tibet's Lamistic creed believes in such useful controlled rebirth.

### **Good Gods, Bad Gods and Ugly Gods**

Chimps can learn our language. But unlike children, they hardly ever ask why. At some time after our ancestors split from chimps, we must have developed a need to get a wider picture of how the world works.

Humans developing the idea of first spirits, then gods, and then God. A Supreme God encourages rationality, and also fanaticism and dishonesty. All three are found in Plato. A man called Critias was the closest to Hitler you can find in the ancient world: Plato was a follower, and continued admirer. Some of the worst deeds of humans have been justified by supposed Divine Approval. You could call them Abusive God-users.

That epic film *The Good, the Bad, and the Ugly* is entertaining, but what lessons does it give? It gets away from hazy ideas of God and virtue in Westerns. And mostly there is nothing much in its place.

With God supposedly in charge, an imperfect world can be explained by a Bad God set in opposition. Or the Divine Spirit might be arbitrary – an Ugly God. But discarding the whole notion of spirits and gods makes more sense.

People do want a better world. They just need a better understanding of how we get there.

# Russia and Iran under attack

Can we compare the stance of Russia and Iran faced with attack from the US? Some suggest that Iran is acting with more firmness and earning more respect as a result. Members of the Labour Affairs group discuss the issue

## Eamon

I don't think you can make this comparison between the Iranian and Russian situations for the following reasons:

Firstly, Iran's enemy is not on its border. Neither the US nor Israel can easily mount attacks on Iran from their own territories so they rely exclusively on air and sea power. The proxies that US/Israel can muster are not initiated via a land army capable of directly threatening its territory. When it comes to Russia, Europe/NATO has the advantage of its Ukrainian proxy having sufficient forces on its border that can threaten Russian territory.

Secondly, the Iranian economy is nowhere as developed as the Russian economy and therefore the societal impact of an armed attack on it does not carry the same threat to its stability as would a similar attack on the Russian economy – witness the effect of the current Ukrainian attack on its oil refining capacity – an impact that has been somewhat mitigated by the simultaneous closure of the Strait of Hormuz with the resultant hike in the price of oil.

Thirdly, neither the US nor Israel can convincingly argue that Iran is threatening their respective countries in a way that would justify mobilising their ground forces to fight a war of any length. In the case of the EU/NATO the establishment and its media have spent the last twenty years depicting Russia as an existential threat to Europe. That depiction was given added credence as a result of Russia's invasion of Ukraine in 2022 – an event that we now see had been choreographed with the assistance of the US since 2008.

Fourthly, the argument in favour of Russia making a pre-emptive strike on NATO as a means of bringing NATO to its senses precludes the

fact that the US has always used Europe as the first line in its nuclear defence wall. Should Europe be hit with tactical nuclear missiles from Russia it would clear the current credibility gap amongst US citizens that continues to restrain the US hawks from directly attacking Russia – something that the decision-makers in Moscow know full well.

The point is that Moscow never has had the level

of freedom of action that would be required if it was to act as the article suggests. That awareness has been central to Moscow's actions since 2014. Its actions since then have been circumscribed by that awareness. Its incursion into Ukraine in what is commonly but incorrectly described as a "full scale invasion" was the culmination of how far it knew it could go. The power which Moscow invested in placing Russian troops in such numbers on the Ukrainian border in 2021 was in its threat rather than in what it believed it could achieve militarily. Coincidentally with that move was the pressure it believed it could place on the EU and Kiev to reach an agreement on a new security architecture that would remove the threat to its borders.

When that failed it was compelled to move those troops into Ukraine as a message to convey its seriousness but that fact that it did so without adequate numbers or proper air support gave the lie to the threat. Russian troops then camped on the outskirts of Kiev for a few months in the hope that the government in Kiev would come to an arrangement.

It almost succeeded in the resultant protocol that was I initialled by Russia and Ukraine in Istanbul in April 2022. However, that agreement was thwarted by Boris Johnson who flew to Kiev to convince Zelensky to tear up the protocol and continue to resist Russia's demands with the promise of the prospect of Ukrainian NATO membership after it defeated Russia with the covert help of NATO.

Since then Moscow has been on the back foot when it comes to the idea of it having any alternative to the policy it has been pursuing. It

has no alternative to continuing that policy in the hope that eventually Ukrainian civil society will decide it has had enough.

I don't believe that it's a coincidence that we are now seeing western media full of stories of Putin losing support at a time when there is growing evidence of a fragmentation of support for Zelensky both inside and outside Ukraine. Nor do I believe it's a coincidence that Kiev has upped the provocation levels (the attack on the student dormitory) at this time. The only hope for Kiev remains, as it always had, is to create a situation where NATO gets more directly involved. Which is why I remain suspicious of what the author of the article is advocating.

## John M.

I think the original article completely misconceives the reasons for Russia's restraint.

"Russian strategists spent four years believing there was an off-ramp. They believed that their restraint would be recognised. They believed that avoiding escalation would earn them respect in Washington, London and Brussels. They were catastrophically wrong."

Surely the abiding reason for Russian restraint is that Putin and others regard the Ukrainians as a fraternal people? Therefore Ukraine is not to be treated like Chechnya, and no war is to be conducted there, only a Special Military Operation. The capture of the Ukrainian state by Banderist nationalists is considered a perverse aberration. Given time, either the current government will come to their senses, or they will be swept aside and replaced by sensible and constructive people.

Putin has sustained this policy for four years with great nerve and determination. During the last year it has been fraying, with long-range Ukrainian attacks on economic targets needing to be answered in kind. But basically it is still intact. Can it be continued further, with some prospect of eventual political success?

I don't think that's an easy question to answer.

**Pat W.**

I think you are right John. That is how the war was conceived - as a means of bringing the Ukrainians to their senses. But it has had the effect of amplifying Ukrainian nationalism. And I think their being let down by Trump and their having to rely more on their own resources, plus Europe, has solidified their defence. Zaluzhnyi was more NATO/US orientated willing to mount all or nothing counter-offensives but Syrskyi has built a more Ukraine based force with the more limited aim of stopping the Russians fully capturing the 4 oblasts and bleeding them as much as possible, whilst using the drones defensively and long-range to frustrate the Russians. This has proved effective and is giving Putin a problem as he can't put the war to bed with his current strategy.

**PALESTINE LINKS**

[Why Jordan cannot be stripped of Al-Aqsa custodianship \(Mustafa Abu Sway, Middle East Eye, 28 May 2026\)](#)

[Israel's Gaza offshore gas plans condemned as illegal resource grab \(Nadav Rapaport, Middle East Eye, 28 May 2026\)](#)

[Israel <added to UN blacklist> for sexual violence in conflict zones \(Middle East Eye, 28 May 2026\)](#)

[In first since Oslo, Israel seizing land for army base inside West Bank city \(Shatha Yaish, +972, 27 May 2026\)](#)

[Israel's colonisation of south Lebanon is already under way \(Paul Khalifeh, Middle East Eye, 26 May 2026\)](#)

[How clans are organizing to fill Gaza's leadership void \(Mohamed Solaimane, +972, 26 May 2026\)](#)

[Iran has won the war. Trump and Netanyahu now face a reckoning \(David Hearst, Middle East Eye, 25 May 2026\)](#)

[Israeli drone strike kills child in Gaza \(Nora Barrows-Friedman, Electronic Intifada, 22 May 2026\)](#)

[The farce of Israel's 'liberal' investigative journalism \(Sebastian Ben Daniel \(John Brown\), +972, 22 May 2026\)](#)

[Endless displacement, endless Nakba \(Malak Hijazi, Electronic Intifada, 21 May 2026\)](#)

[Israel's death penalty drive enters next stage with Oct. 7 military tribunal \(Sari Bashi, +972, 21 May 2026\)](#)

[In first, Israel convicts Palestinian citizens for chanting slogans \(Baker Zoubi, +972, 20 May 2026\)](#)

[Palestine Action prisoners may be sentenced as "terrorists" \(Asa Winstanley, Electronic Intifada, 18 May 2026\)](#)

[Infectious diseases rampant in Gaza \(Nora Barrows-Friedman, Electronic Intifada, 15 May 2026\)](#)

[Reviving Gaza's cultural scene from beneath the rubble \(Ruwaida Amer, +972, 15 May 2026\)](#)

[At Jerusalem's Flag March, Ben Gvir's Israel was on full display \(Oren Ziv & Charlotte Ritz-Jack, +972, 15 May 2026\)](#)

[Medicine shortages amid siege leave people in peril \(Malak Hijazi, Electronic Intifada, 5 May 2026\)](#)

[System of sexual torture targeting Palestinians exposed in new report \(Ali Abunimah & Tamara Nassar, Electronic Intifada, 1 May 2026\)](#)

[Sexual violence in Israeli prisons and detention centres and engineered impunity \(Euro-Med Human Rights Monitor, October 2023 - October 2025, 13 April 2026\)](#)

[Israel kills child collecting cardboard in Gaza \(Nora Barrows-Friedman, Electronic Intifada, 1 May 2026\)](#)

[Gaza's disarmament trap \(Muhammad Shehada, +972, 29 April 2026\)](#)

# Notes on the News

By Gwydion M. Williams

The Money Illusions  
China's Solid Politics  
Snippets

Magic Thinking Spreads Ebola  
Godless and Safe  
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Visit the Isle of New Orleans?

## The Money Illusions

In a modern society, it is easy to forget that real material wealth is goods and human work. Money is just a way of exchanging goods between producers and consumers. A way of getting people to work for anyone outside their own friends and families.

For most of human history, money was gold or silver, and most people grew their own food. But it was also exchange between roughly equal humans, with a few rich land-owners taking a cut for land they did not make or keep healthy, but which the state enforced their right to. And the state taking taxes for wars, unavoidable in a world with many rival and often aggressive states.

The Industrial Revolution meant factories where vast numbers of workers produced goods that were cheaper and better than those made by independent small producers. But those workers were kept poor and overworked. The flow of new wealth went to a minority: a newly comfortable middle class.

Socialists said 'make owners pay more to workers, and nationalise those that are inherently big or monopolies'. Communism said 'give ownership to the workers' – either as collectives, or by state ownership by a Workers Government.

Both systems worked much better than classical capitalism. Britain in the 19<sup>th</sup> century had amazed the world with its new factories, but its growth was around 1% per year. The USA before 1945 edged towards 2%, but had its Great Depression. Much better results were achieved in the three-decade Cold War competition in which the West borrowed socialist ideas to defeat a Soviet Union that was actually growing faster than 19<sup>th</sup> century capitalism ever had. That was overtaking the USA up to the 1960s, but was overtaken by the state-orientated societies of Japan,

Italy, and West Germany. Countries that received gigantic US aid and had their consumer goods let into the USA and replaced American industries.

In those days, workers in the West were looked after, because the rich feared they might otherwise go Communist. France and Italy saw Communist Parties get a quarter or a third of the vote in open electoral systems.

Sadly, the Soviet Union spoiled its reputation by imagining it could rule the world and bend everyone to its own system. It damaged its economy with excessive military spending. And there were some spectacular new US industries that made new billionaires out of people who'd began as ordinary or moderately-rich. Lots of people imagined they could do the same.

What actually happened was 90% of Western workers found themselves worse off. Especially in the USA, where the illusion is strongest.

And Russia did not get the same aid that the former enemies in Italy and Japan and West Germany had got after 1945. They got significantly poorer with 'reforms' that the New Right insisted upon. Yet the idea that the former enemies were won over by generosity and the Russians alienated by meanness is one they won't consider. It has to be an unexpected outbreak of evil, just as in all the Third World countries the USA has made enemies of from the 1980s.

We also keep being told that without the billionaires it would all fall apart. Ignoring the awkward fact that Western growth hasn't been faster since they got lower taxes and less rules from the 1980s.

If their wealth was cut down to just a few tens of millions, would this not be enough to inspire new entrepreneurs?

And why aren't they satisfied? I've seen people wonder just why millionaires want more, when they already have enough for all possible personal consumption. Overlooking that wealth also means power. Power to go to Mars rather than look after the needy. Power to buy up the media and make ordinary people scared of each other.

## China's Solid Politics

Back in 1989, I went against the Western experts and said that the Chinese Communists would remain in power for many more decades (<https://labouraffairsmagazine.com/very-old-issues-images/magazine-001-to-010/magazine-012/what-tiananmen-1989-was-really-about/>.)

I'd noticed at the time that when the demonstrators

held Tiananmen Square, the BBC had been pinning their hopes on a man called Wan Li returning from an overseas trip and invoking the National Assembly to replace the Communist government. Similar things did later happen in several countries in Middle Europe, so I suppose it was the CIA playbook. But Wan Li chose not to do so. I later looked into this and got details. (<https://labouraffairsmagazine.com/m-articles-by-topic/m99-topic-menus-from-long-revolution-website/42-china/42-1-chinese-politics/communist-chinas-1989-fight-for-survival/>.)

China had a different mentality from Middle Europe, where Communists had been put in power by the Red Army and their successors were weak. Chinese leaders in 1989 had lived through a brutal and dictatorial Kuomintang regime: a party that kept the country poor. That was acceptable to the West when it cut short the 1927 Revolution and did not dare try to be a real government in Shanghai.

Chinese Communists made their own system, and were willing to kill a few protestors to secure it. And to jail more, but what broke the dissidents was the sight of once-awesome Soviet Russia descend into poverty and crime.

I was also unsurprised when new leader Xi Jinping toned down the limited criticism of Mao that had been allowed under Deng. But I now understand more after reading *The Party's Interests Come First: The Life of Xi Zhongxun, Father of Xi Jinping* by Joseph Torigian. Not that the author sees it so, but he is an excellent collector of raw facts. On page 492, the book explains how the elder Xi was deputy to Wan Li and made the same choice to back the party. And though the book does not say this, he might even have influenced Wan to come back to Shanghai and be won over by future leader Jiang Zeimin, rather than go to Beijing and back the protests.

Definitely the right choice. Rather than glib lawyers with skills at making a bad case look good, China's top leaders are people who showed they could make life better for ordinary people. A lot had an

engineering background. And there remains a preference for people whose experience is of how the world works, rather than how you can twist it to your advantage:

“Why leading Chinese scientists are rising to the top in the Communist Party”. (<https://www.scmp.com/news/china/politics/article/3350757/why-leading-chinese-scientists-are-rising-top-communist-party>)

### Snippets

#### Magic Thinking Spreads Ebola

“Police fire shots in air to disperse angry crowds at DR Congo Ebola treatment centre...

“The body of a dead Ebola victim is highly infectious and can lead to the virus spreading further when prepared for burial.” (<https://www.bbc.co.uk/news/articles/c0l22pz6nw6o>).

It is an aspect of the whole anti-state attitudes that began in the 1960s and got maliciously twisted by the New Right in the 1980s. And now it has spread to topics where they'd like to keep control, but the damage they did is not easy to reverse.

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#### Godless and Safe

A survey on X (Twitter) showed that the top countries for atheism were China, Japan, Sweden and the Czech Republic. (<https://x.com/iamisla/status/2058258897450697035>). Roughly in line with other surveys that show global atheism rising as a global trend (<https://www.gallup-international.com/survey-results-and-news/survey-result/two-decades-of-change-global-religiosity-declines-while-atheism-rises>).

And not a trend away from morality. Those countries are noticeably safe to visit. Places where a stranger can expect help if they need it, which happened to me in the three very different societies of China, Japan and Sweden. Nothing relevant in the Czech Republic, which was however nice to visit. Whereas in the highly-religious USA, and the US South in particular, I would have been much

more at risk of violence, cheating, or being ignored or rebuffed if I needed help.

We needed religion once, but now we have moved beyond it (<https://labouraffairsmagazine.com/m-articles-by-topic/040-religion-as-a-mode-of-human-existence/religions-as-imperfect-human-understanding/>). And religious beliefs have far too often been an excuse for all sorts of evil.

It might seem logical for a devoutly religious person to trust to Almighty God to deal with those who merit punishment. Many of them actually do so. But significant minorities will say ‘God Wills It’ to excuse their own violence.

\*

#### French Guilt

The USA had a wave of removing statues that presented Confederate generals as admirable rather than brave fighters for an appalling cause. And Britain had its share. And now France also:

“French ‘counter-monument’ holds up a mirror to ghosts of colonial Algeria. <https://www.france24.com/en/france/20251116-french-counter-monument-holds-up-mirror-ghosts-colonialism-algeria-nancy>

Part of restoring a public morality that had lapsed over the past few decades. And doing it on a socialist basis.

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#### A Holy Land for Jews Only?

To get at radical London mayor Ken Livingstone, a silly rule was taken up that criticism of Israel or Zionism could never be honest and must always be classed as anti-Semitic. And then the same was applied to Jeremy Corbyn when he made the Labour Party much more popular by returning to the demand for social justice that the party had been built on.

For the immediate needs, it worked. And then Hezbollah perhaps decided to get provocative in the hope of making Israel extreme enough to upset the reconciliation with Arab right-wingers that was happening at the time. And certainly

it boosted those Israelis who wanted to dispossess Palestinians of the little they had left. And committed extreme acts, in the confident and correct belief that almost all the world media would reject any criticism as anti-Semitic.

It is another case of New Right politics and its silly New Labour variant grabbing for small advantages and not thinking things through. When *any* criticism of Israel is defined as anti-Semitic, then more extreme Israelis will realise they can do *anything* and trust the world media to refuse to react as they would if anyone else did it.

This, for instance:

“‘Some hide their crosses’: Jerusalem nun attack highlights Israel’s growing anti-Christian problem - France 24

“When a foreign nun was the victim of violent physical assault in Jerusalem last month, local activists and clergy say they were shocked but not surprised. In the past few years, anti-Christian incidents have surged in Israel – illustrating how a small minority of insular and mainly ultra-religious nationalist or ultra-Orthodox Jews are becoming increasingly emboldened to act out their anger and hate.” (<https://share.google/FR4zuGTod0X5t2xDN>).

Under the law of the land, you are obliged to say that even if it happened, any mention of it having happened would make you a vicious anti-Semite. No appeal, no argument. You are *by definition* guilty.

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### Real Historic Anti-Semitism Surfacing

“The sordid history of the May 1939 British White Paper, the notorious document with which the British all but slammed shut the doors of Palestine to European Jewry, has been documented many times. Less-remembered is how the (Jewish-owned) New York Times took British prime minister Neville Chamberlain’s side the day after the White Paper

was issued, incurring the wrath of Chaim Weizmann and the Zionist leadership. Virtually unknown, however, is that the Polish Jewish community had sent a desperate plea two months earlier to Chamberlain — a telegram begging him to keep the gates of Palestine open.” (<https://www.timesofisrael.com/uncovered-polish-jews-pre-holocaust-plea-to-chamberlain-let-us-into-palestine/>).

There were also many other places where the British Empire could have put the endangered Jews. Lots of space for white settlers – but Jews were not *entirely* wanted or accepted as white. I’d remarked a few times that it was odd no one considered setting aside a chunk of Australia or New Zealand as territories where Jews could be a planned majority and allowed to define the regional culture. There were Patagonian Welsh, but Latino culture has always been less conformist. Canada and Australia and New Zealand were to be New Britains. Other Europeans were expected to conform, and Jews who wanted to affirm their differences would do it at the expense of lesser humans. Uganda was a serious candidate to feed something to inconvenient importuning Zionists, and so was Madagascar. But nothing came of it.

Using DeepSeek to check my comments, I then discovered a largely-forgotten scheme for a Jewish homeland within Australia in West Australia. But the Australian government only wanted Jews who’d fit in to the dominant English-derived culture ([https://en.wikipedia.org/wiki/Kimberley\\_Plan](https://en.wikipedia.org/wiki/Kimberley_Plan)). It’s much less known than the improbable Soviet idea of giving Jews a chunk in the east of Siberia. But the politicians upheld “*the ideal of one Australian family of peoples, devoid of foreign communities.*”

Within Europe, no concern was shown for Jews who’d obviously be at risk if Poland lost the war that they were being encouraged to fight against Germany. Hitler had made a reasonable offer over Danzig, a mostly-German city that Poland did not want while it was

full of Germans. Poland could have been told ‘*give him Danzig, and we go to war if he tries to take more*’. Instead Poland was encouraged to give nothing, which is the context in which Hitler made war possible by his non-aggression agreement with Stalin.

During the war, the option to bomb railway lines leading to the death camps was ignored. It was all about power politics, and no real concern about East European Jews and the other victims.

After the war, Danzig was emptied of Germans and became Gdansk. East Prussia as a whole had Ethnic Cleansing with the full support of all the victorious powers, as did the Sudetenland in the restored Czechoslovakia. Poles and Ukrainians were encouraged to separate from each other, in view of the bitterness left behind by massacres by Ukrainian fascists. And the idea of a Jewish state carved out of the mix was considered, but would have offended the much larger nationalities that saw every last inch as exclusively theirs.

A similar lack of concern for East European Jews was shown after the war:

“Mengele was a doctor who served in Germany’s Waffen SS. He was posted to the Auschwitz extermination camp in Nazi-occupied Poland, where he selected those to be sent to the gas chambers – an estimated 1.1 million people died, including about a million Jews.

“Known as the Angel of Death, he also selected prisoners, primarily children and twins, for sadistic medical experiments, before sending them to their deaths as well.

“After the war Mengele, like many high-ranking Nazis, quickly changed both his uniform, and his name.

“With the help of his false identity, he was issued Red Cross travel documents at the Swiss consulate in Genoa in northern Italy, and used them to flee to South America.

“The Red Cross intended the documents for thousands of people across Europe who had been displaced or made stateless by the war, but Nazis seeking to escape prosecution also managed to acquire them, something for which the Red Cross has subsequently apologised.” <https://share.google/khwywROPVBiAe4z2w>

Another example of how the West’s elite viewed the war with fascism as an unfortunate accident. How they never believed most of their own propaganda.

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### IMF Defending Money

“A world going broke: IMF says America’s \$39 trillion national debt is actually a global problem—and AI may be the only rescue...”

“The world economy is being tested again with the consequences of the war in the Middle East—and this is a world that has less degrees of freedom as public finances are more stretched in many, many countries...”

“AI could fundamentally transform how governments operate by boosting productivity, tightening tax administration, and improving delivery of health and education services.” (<https://fortune.com/2026/04/16/imf-national-debt-world-structural-problem-ai-uncertainty/>)

The USA has plenty of wealth that could fund its public spending. But Republican presidents have repeatedly run up the deficit by cutting taxes for the rich. And Democrats, heavily dependent on campaign funds, have been weak in opposing it.

Now the IMF idea is to balance things by destroying more good jobs. Replacing them with AI systems that often fail to understand or send you round in circles.

The International Monetary Fund are Dedicated Worshipers of Money

They cannot admit that the grand

New Right experiment did absolutely nothing to improve overall growth in the West. And arguably damaged it.

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### Nigeria Refines Its Own Oil

“Fuelling a continent: how China’s engineering prowess built Africa’s biggest oil refinery

“Nigeria has turned into a net exporter of refined petroleum products”

<https://www.scmp.com/news/china/diplomacy/article/3352256/fuelling-continent-how-chinas-engineering-prowess-built-africas-biggest-oil-refinery>

The West has been drawing raw materials from Africa and then doing the more profitable refining at home. Not helping African development. But China has not forgotten the global Leninist mission that the People’s Republic was created as part of. Yet have the wisdom not to set themselves up as a Superior Authority as Russia did before the Soviet collapse.

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### 25% To Rule Them All?

The latest YouGov poll for 17th May gives Labour 17%, Conservatives 18%, ‘Reform’ 25%, Liberal Democrats 14% and Greens 15% ([https://en.wikipedia.org/wiki/Opinion\\_polling\\_for\\_the\\_next\\_United\\_Kingdom\\_general\\_election](https://en.wikipedia.org/wiki/Opinion_polling_for_the_next_United_Kingdom_general_election)).

Since all of those parties are likely to stand in every single English seat at the next election, this could give ‘Reform’ an absolute majority in the House of Commons.

They already gained many seats in the recent Local Government polls. In most places, only one-third of the seats were contested, so they didn’t gain control of many councils. But next year’s elections are likely to give them more.

Naturally, existing Labour MPs are worried. With some system of Proportional Representation, they could assume that Greens and Liberals and even some Conservatives would switch votes to them if they came second to Reform in the first round. Likewise for sitting Conservative MPs: a clear majority of voters would not vote Reform

even if The Evil Lord Sauron was the only other candidate. But as things stand, Reform would get those seats.

More than 60 Labour MPs have called for a review. But what’s really odd is that party leaders are rejecting it. Even Andy Burnham has said ‘not before the next election’, arguing that it was not in the manifesto. And ignoring the obvious point that if Reform get a House of Commons majority they would try to stop PR ever happening.

Are some of our leaders so caught up serving the rich and ‘Upper London’ that they would allow Reform to come to power? Prefer it than to risk progress by the Greens and other leftists who might start taxing the rich? Is that their greatest fear?

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### Visit the Isle of New Orleans?

That would be a nice travel poster for an SF film set a few decades in the future. Such a big and culturally deep city is unlikely to be abandoned. But the land around it might be lost:

“‘Point of no return’: New Orleans relocation must start now due to sea level, study finds...”

“Ongoing sea-level rise and the rampant erosion of wetlands in southern Louisiana will swallow up the New Orleans area within a few generations, with the new paper estimating the city “may well be surrounded by the Gulf of Mexico before the end of this century”.

(<https://www.theguardian.com/us-news/2026/may/04/new-orleans-sea-levels-relocation-climate-crisis>).

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I write regular blogs - <https://www.quora.com/q/mrgwydionmwilliams>.

I also post a lot on X (Twitter): <https://x.com/GwydionMW>

# Four-day international security forum in Russia

Hundreds of participants from 120 countries will spend four days discussing various aspects of security, the protection of traditional values, and countering neo-colonialism and neo-Nazism

May 26-29

[Three-fifths of the world is attending because there is deep alarm at the trajectory of Western politics — and a widespread determination in the global South to build a multipolar world.LA]

MOSCOW, May 26. /TASS/. The first International Security Forum, held under the auspices of the Security Council of the Russian Federation, has opened in Russia on Tuesday. Hundreds of participants from 120 countries will spend four days discussing various aspects of security, the protection of traditional values, and countering neo-colonialism and neo-Nazism.

## CSTO meeting

Secretary of the Russian Security Council Sergey Shoigu will begin the work program with a meeting of the Committee of Secretaries of the Security Councils of the Collective Security Treaty Organization (CSTO), which will bring together his colleagues from Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan. They plan to review the “military-political situation in the CSTO collective security regions and the organization’s activities during the intersessional period.” “Given the Russian Federation’s CSTO presidency from January 1, 2026, partners will be updated on the progress of Russia’s priority activities in the organization in 2026, in accordance with the plan approved by Vladimir Putin, Chairman of the Collective Security Council,” the press service of the Russian Security Council reported. According to the press service, the signing of “a number of decisions aimed at improving the collective security system and the activities of the CSTO Secretariat” is expected.

## Forum program

The forum’s first event is the conference Countering Neocolonialism as a Priority for Ensuring Security of the Global Majority Countries, organized by MGIMO University of the Russian Ministry of Foreign Affairs. The forum

will feature a discussion on the Kiev regime’s terrorist methods, a briefing on the partnership between Russia and African countries ahead of the autumn Russia-Africa summit, and roundtable discussions on Disinformation and Manipulation as Tools of the Hybrid War against the Global Majority for Maintaining Hegemony, War Crimes of the Kiev regime: from Evidence to Verdict, Topical Issues of Combating Illegal Migration, NGOs as a Tool for Undermining National Security, Issues of Preserving and Protecting Traditional Spiritual and Moral Values on the Global Stage, On the Main Areas of International Cooperation on Countering the Spread of Radical Ideology and The Water Problem - a Challenge for Global and Regional Security.

On May 28, the 14th International Meeting of High Representatives Responsible for Security Issues will open under the chairmanship of Shoigu. Several multilateral meetings are also scheduled in the BRICS, CIS, Russia-ASEAN, Russia-Central Asia, and Russia-Sahel formats. A comprehensive exhibition program has been prepared for the forum. Roscosmos will present an exhibit dedicated to the 65th anniversary of the first human spaceflight, along with products from companies in the rocket and space industry. Rosatom will display a model of a physical security system for nuclear facilities, a rapidly deployable alarm system, a mobile video surveillance system, a search and inspection system, and an explosive

detector. The Ministry of Health will display a mobile CT scanner, a mobile operating system, a resuscitation vehicle with mounted electronic warfare systems, and a mobile satellite communications system. The Federal Medical and Biological Agency will display laboratory systems mounted on all-terrain vehicles. Russian defense industry companies will showcase the latest developments in various security areas, including air defense systems.

## Forum participants

According to the Security Council press service, more than 150 foreign delegations from over 120 countries are attending the forum. Almost all African countries (50 out of 54) have sent their representatives, as well as partners from the SCO, BRICS, and ASEAN countries, as well as most countries of the Middle East and Latin America, home to over 5.5 billion people, or approximately 70% of the world’s population. Their nominal GDP is \$50 trillion. In purchasing power parity terms, this figure is even higher - over \$70 trillion.

Unofficial representatives from 12 unfriendly countries actively advocating for the development of constructive relations with Russia are participating in the forum.

TASS is the forum’s information partner.

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should vigorously seek representation on the council of the BoE as a condition for their co-operation on managing the wage/price/unemployment relationship. They should urge an incoming trade union friendly government to get rid of the BoE’s independence, subordinate it to the economic management of the country and ensure the co-ordination of fiscal and monetary policy.

Why do we say that the effects of such a policy need to be immediately visible? Long term structural change in the economy will take time. For example, for houses to be built or refurbished to an acceptable standard, a skilled workforce will be needed. Qualifications, apprenticeships and equipment need to be set up. Trade lecturers in colleges need to be recruited before they can reskill a new generation of construction workers. Before a mass housing policy, which prioritises high quality housing can be launched, years of preparation are necessary. That is why palpable changes in the short-term are so important: new buses and bus routes; restoration of union rights and encouragement of unionisation; return of water to public ownership; emergency back to work schemes for the workless; price controls on essentials – all of these are doable in the short-term before the long-term reforms take effect. This is what the trade unions should be putting pressure on any future government to do.

# How could the labour movement control inflation without increasing unemployment?

By Dave Gardner

This article takes, as a starting point, the article by Martin Seale on how the Bank of England (BoE) manages inflation through manipulating interest rates with the byproduct being unemployment.

Currently, the BoE manages inflation through the setting of an interest rate that keeps the inflation rate stable. The mechanism used is the dampening of economic activity through increasing the cost of credit through increasing the BoE interest rate. A side effect is unemployment and hence a dampening of aggregate demand. The thinking here is that inflation is demand-driven. Prices rise because the demand for goods outruns the supply. Decrease the demand and prices will cease to rise. Conventional inflation management therefore suggests that there is a trade-off between unemployment and inflation which is managed by setting the BoE rate of interest. Workers have to choose between above inflation wage rises and an increase in unemployment on the one hand or a below inflation wage rise and declining living standards on the other, assuming a static economy. Martin suggests that there is an alternative way of managing the economy in the working-class interest and this article outlines what this is, drawing on historical experience still within the memory of many socialists alive today. We neglect the lessons of our past at our peril.

In the 1960s and 70s, a time of substantial trade union economic and political power, there was a sustained attempt by the governing élites of the country to involve organised labour in the governing of the state. This probably began with Ernest Bevin's invitation to the TUC in 1945 to run the British social security system, a proposal that was not taken up. Further features of this attempt included the setting up of the National Economic Development Council (NEDC), a tripartite planning body with union and employer membership, in 1962 under a Tory government and the Bullock Report on Industrial Democracy in 1977. Other landmarks included proposed legislation to manage interunion and employer-union rivalry in the White Paper 'In Place of Strife' in 1968 and the Donovan Report, also of 1968, that aimed to regularise collective bargaining and increase employee rights. I shall concentrate on two experiments that were made with a co-ordinated

economy in which unions, business and the state would attempt to manage inflation and promote growth while limiting unemployment, as these are particularly relevant to the management of inflation and were an alternative to the current BoE and Treasury orthodoxy.

The Prices and Incomes Board, set up in 1966 by the Labour government had statutory powers to limit pay increases unless accompanied by rises in productivity. This measure followed the general approach set out by the NEDC's government representatives. It ran into strong opposition from those trade unions who wanted a voluntaristic approach that allowed them discretion in collective bargaining. Labour lost the general election of 1970, and the incoming Tory administration of Edward Heath abolished the Prices and Incomes Board, although after an initial flirtation with free market economics, it tried to revive the tripartite approach to economic management. The Wilson government of 1974 introduced the Social Contract, a voluntary wage increase limitation scheme which, as a *quid pro quo* introduced measures desired by the trade unions such as repeal of the 1971 Industrial Relations Act. The Social Contract was introduced at a time of high inflation and low growth caused by the oil shock of 1973 and its ramifications. Many trade unionists saw the social contract as an obstacle to maintaining living standards and it began to be ignored and was abandoned by 1975. It was replaced by a 10% statutory wage cap. It should be noted that the trade union movement itself suffered from inter union rivalry, particularly in the matter of establishing wage differentials previously negotiated through collective bargaining. Flat rate increases in pay as recommended by the government in their interpretation of the social contract, upset some of the craft unions as flat rate increases tended to undermine wage differentials. Other unions, such as the TGWU led by Jack Jones, saw flat rate increases as having the potential to improve the relative position of less well-paid workers. The social contract eventually collapsed, in part due to the failure of the organised labour to take a collective view on the relationship between wage increases, inflation and productivity.

For workers the inflation/unemployment/productivity relationship

remains a collective action problem which has to be solved through compromises with other interests, particularly with employers and the state. Unlike in the 1970s however, the trade unions are weak and are still a long way from developing a collective view on priorities. The main problem is to get a body as diverse as the working class and the organised working class in particular, to take a common view of their interests and to prioritise medium and long term goals over short term ones and thus negotiate with the state and employers from a position of strength. Since few in the movement have attempted to reflect on the missed opportunities of the 1960s and 1970s (Frances O'Grady ex Secretary General of the TUC being a notable exception), organised labour is not in a good position today to develop a rational position on incomes policy.

What would a bargain in terms of wage restraint in return for working class concessions actually look like? In order to gain working class confidence, the effects would need to be seen relatively quickly if such a policy was ever to take hold. They will want to see action taken even if its results take longer to come through. Therefore substantial (and highly visible) investment in housing and transport would be a priority, as well as price controls on essentials such as food, gas and electricity. Investment in housing and transport could be accompanied by proper funding of vocational education to allow working class people the opportunity to develop skills and adopt a worthwhile occupation. Such investments would have the additional benefit of improving the human and physical productive powers of the country and so encourage inward investment. Without these investments productivity will continue to languish. Anti working-class parties such as Reform and the Tories will maintain that such measures are leading us to a Soviet-style economy. The unions should take a robust view on this. If the working class are united in a sustained attempt to improve their position within a capitalist economy they should do so. All working people want and need better housing, transport and vocational education. There is a way for them to achieve this. For the longer-term trade unions

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