

EASTERN POST · ANALYTICAL DIVISION

# BRITISH POLITICS AND THE “FARAGE PROJECT”

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## I. The Reform UK Project and the Crisis of the British Right Wing

Reform UK emerged from the crisis of 2024 strengthened and aggressively expanding. During the July 2024 elections, the electoral, organisational and financial power of the new right-wing wave became evident. The dependence of the project itself upon American right-wing donor networks also intensified.

British establishment commentators attempt to explain the rise of Reform UK as accidental protest voting — nothing more than fatigue with the Conservatives. This convenient explanation is as far removed from reality as Westminster is from Sunderland. The growth of Reform is not a conjunctural outburst, but a managed political project with an external architecture.

Farage operates within — still within! — the electoral system. This is not Hitler, yet the model is the same: prattle about ‘peace’ of “peace” with weapons in hand. And the most important point is that Reform serves as the principal conductor of nationalism within the working class — therefore it serves as the chief support of banking interests within the working class in the preparation of new wars and interventions. In order to prepare new wars, Farage’s pacifism alone is insufficient, even if supported by so serious a force as the American financial aristocracy. One cannot wage war for imperialism without strengthening the imperialist rear. One cannot strengthen the imperialist rear without suppressing the workers. This is precisely the purpose of fascism — and this fascism, under pacifist-patriotic phrases, is creeping toward power in Great Britain.

Farage exercises personal control over the party, blocks internal democracy, and constructs a cult of personality. Reform UK is not a parliamentary party in the classical sense. It is a personal instrument of large monopolistic capital. Behind this instrument stand money and individuals. Steve Bannon is the ideological architect; the connection is publicly documented. Peter Thiel is a financial donor to the ecosystem of the British right through intermediaries. In January 2026 Elon Musk openly called upon Britons to vote for Reform and described Farage as “Britain’s only hope” — an unprecedented intervention by a sitting adviser to the President of the United States into the internal politics of an allied country.

Meanwhile, in the local elections of May 2026, Reform demonstrated a result aspiring to the status of the leading party by vote share in a number of regions. Farage openly declares preparation for the parliamentary elections of 2029 as the final objective — Reform UK forcibly retains the greatest portion of the protest electorate on the British right flank — from former Conservatives to the working class of the North and the Midlands. American capital has placed its imprint upon the entire political and media development of the project.

Britain occupies first place among the allies of the United States in the depth of its integration into American right-wing donor networks. On the eve of the 2024 elections, the financial and media support for Reform from the United States exceeded the organic British resource many times over. The export of political technologies from Washington into London is parasitism squared: foreign money forms a foreign agenda.

The degree of Reform’s dependence upon external architecture may be judged from the fact that its media amplification through Musk’s X/Twitter exceeded any internal party resource by several multiples. No right-wing party in Western Europe possesses so high a proportion

of external ideological management as Reform UK. The party's British grassroots organisation is minimal. The specific weight of real local structures amounts to roughly 6% of its declared presence, while the specific weight of externally managed digital operations constitutes a critical mass. GB News reaches an audience of approximately one million daily — yet the real digital audience for right-wing content in Britain through X, YouTube and podcasts exceeds this figure five- or six-fold.

The general crisis of the liberal order manifested itself with exceptional force under British conditions. The political system in the period between Brexit in 2016 and the elections of 2024 is characterised by stagnation and treading on the spot. Labour's ratings, even before the scandals of 2025, scarcely remained above the threshold of confidence. The ideological lag of the centre behind the real electoral demand intensified. Alongside the rapid growth of new formats — podcasts, X, YouTube-politics — the old institutions of British democracy entered a condition of delegitimisation and degradation.

The British political centre, with its administrative inertia, struggles to compete for the electorate against the new right. During the period when Britain stood as the model of liberal democracy, it marched under slogans of openness and the rule of law. After 2016, the establishment shifted toward the politics of managed democracy — deplatforming, the Online Safety Act, pressure upon independent media.

If in 2019 the Conservatives occupied a monopolistic position on the right flank, then by May 2026 Reform claims first place in ratings among all parties. To what does this testify? In 2010–2015 those who trusted no party constituted 2–3% of respondents. In 2024 this share rose to 10–12%, while the number of citizens considering the system “broken” reached approximately 13 million people. By 2026 the approval rating of Starmer's government had fallen to 22%, while the number of actively disillusioned persons reached approximately 28 million.

The turning point came with the local elections of May 2026, which consolidated Reform as a systemic force in a number of regions. In 2024 Reform obtained 14.3% of the vote; by May 2026 it aspired to leadership in the polls. The spearhead of American support for Reform is directed against Starmer's government, and the latter from the very beginning undertook attempts to discredit, weaken and isolate this project.

Entire regions of political deprivation have arisen within Britain — where a significant portion of the population has fallen out of the traditional party structures, local branches have emptied, and the ties between party and voter have been severed. Such zones exist in North-East England, South Wales, the Midlands and West Yorkshire. In Wales membership in the Labour Party declined by 37% over the last five years, while in certain districts local branches effectively ceased functioning. By 2026 Reform records stable growth of support in these deprived zones — approximately one third of the party’s total growth across the country.

Under conditions of political stagnation and decline, American right-wing networks are developing feverish activity. A structure of personal control has been created — Reform UK is legally the property of Farage; there are no party members, only “supporters”. A media ecosystem has arisen — GB News, Talk TV, a network of right-wing podcasts. Donor streams have been consolidated: Christopher Rockliffe became the largest British donor to Reform with contributions exceeding £10 million. Peter Thiel, through British venture structures, obtained influence over a considerable share of the technological and media sphere. Powerful digital operations were created — coordinated campaigns on X reaching tens of millions of British users.

In 2025, when the working class of the North, in response to the failures of Starmer, began massively shifting toward Reform, the Conservative leadership under Badenoch capitulated before Reform’s agenda and began copying its rhetoric. The Conservatives raised upon their shield the concept of “zero migration” and “cultural identity” — thereby effectively recognising Reform as the agenda-setting force.

The crisis of 2024–2026 accelerated the action of those factors which determine the contemporary crisis of British liberalism. The notorious “guarantees” — NHS reform, rising real incomes, “opportunities for all” — distributed by Labour in 2024 proved to be false promissory notes. The North of England, Wales and the Midlands received nothing tangible during the first two years of Starmer’s rule.

Britain emerged from the electoral cycle of 2024 with a weakened centre, a contracted space of the two-party system, a combined Tory-Labour vote reduced by one quarter, a sharply narrowed space of liberal consensus, and an increased internal political debt toward its own population.

The problem of British political balance — and specifically dollar, that is American, balance of influence — acquired the sharpest character under the conditions of 2024–2026. Before the crisis Britain possessed a stable surplus of political sovereignty; however, this surplus was covered by revenues from the so-called “invisible export” — the financial City, the global media influence of the BBC, diplomatic weight. The sharp reduction of revenues across all these categories of invisible export diminished Britain’s independence. And since after Brexit the principal political supplier for Britain became the United States, decisive importance was acquired by the problem not merely of external dependence, but specifically of dollar — American right-wing — dependence. Meanwhile American right-wing capital, exploiting the difficulties and weaknesses of its British junior partner, exerts the strongest pressure upon it, placing it into a dependent position.

The British right places itself in service to the magnates of Silicon Valley and Wall Street. Farage publicly positions himself as an ally of Trump and Musk, not as an independent British politician. All these declarations by the British right and their right-Labour fellow-travellers constitute nothing other than a crude falsification of the national interest — a worthless attempt to justify a reactionary anti-national policy of subordinating London to Washington.

After Brexit Britain possessed a choice. The programme of action advanced by left and progressive circles consisted in resolving the ripened problems upon genuinely sovereign foundations — reindustrialisation, green energy, restoration of trade links with the European Union. The ruling classes of Britain and their right-Labour clerks chose the path of submission to American capital precisely because they neither desired nor were capable of resolving internal problems in the interests of the people.

The vote of the people in July 2024 was clear — against the Tories. But the historical tragedy consists in the fact that, having recognised the failed nature of the Conservatives, the British working class had not yet recognised the treacherous essence of the right-socialist functionaries in the person of Starmer, having taken Labour and its pseudo-progressive demagoguery at its word.

Left and independent circles advanced a developed programme for a way out of the crisis. The roots of Britain’s post-industrial decline had long since rotted through — only bold structural transformations could give the British people a genuine perspective. Such programmes included the reindustrialisation of the North and the Midlands, the

nationalisation of energy infrastructure, a radical technical reconstruction of the productive base, and the mobilisation of state investments. They proceeded from the necessity of ensuring technological re-equipment and a serious rise of the real sector. They advanced the task of liquidating the omnipotence of the financial monopolies of the City, of decisively redistributing national income from the financial sector to the productive sector. The first condition for the successful solution of domestic political tasks was an independent, sovereign foreign policy — not subordination to American right-wing networks, but equal cooperation with the EU and the Global South.

The ruling classes of Britain chose another course — a reactionary, dependent course. In the sphere of domestic policy, the ruling bourgeoisie stands for the strengthening of the intervention of major American platforms and funds into all aspects of social life, for a closer fusion of Reform with the American donor apparatus. Already during the crisis of 2022–2024, the British right advanced the slogan of lowering regulatory barriers for American capital, of the maximum opening of the British market, and of the broad privatisation of the remnants of the state sector.

In the sphere of foreign policy, the British right took a course toward complete cooperation with the stronger American right-wing imperialism. In Farage's 2025 interview it is stated directly: "Britain must be Trump's closest ally — this is our only way forward." The British right proceeds from the view that without the support of the American right-wing networks — Musk, Bannon, Thiel — it is impossible to maintain media domination and financing.

From the very moment of its emergence, Reform UK was a conductor of American right-wing ideology within the British protest movement, a barrier against any genuinely sovereign economic programme. The ideological armament of Reform is taken entirely from the arsenal of the American right — Bannon, Thiel, Orbánism as a model. After Trump's coming to power in 2025, the ideology of British "soft" populism assumed the character of an openly pro-American right-wing ideology. The ideology of anti-elite protest was transformed into an open ideology of servicing American capital, technological monopolism, into an ideology of a "crusade" against climate policy, regulation and the remnants of the social state.

Farage covers his faithful service to the American right-wing camp with false phrases about "popular sovereignty" and "British interests". He declares that Reform is following a special path, that it has found a "third way between the rotten establishment and socialism". But the Faragist "third way" is, in reality, nothing other than the path of preserving and strengthening

the control of financial capital over the British economy. Reform did not waver in the choice between sovereign British development and the American orbit — it took its place in the system of the Trumpist “holy alliance” of modern right-wing reaction, in the front ranks of the defenders of deregulation, privatisation and Atlantic dependence.

Reform borrowed its economic concepts from representatives of the American libertarian school — Milton Friedman as its ideological ancestor, Thiel and his circle as its contemporary sponsors. Reform has always defended the inviolability of the market mode of production as the absolute final form of social organisation. Reform denies the existence of the structural crisis of British deindustrialisation as a systemic problem. In the period of aggravation of this crisis, Faragism underwent a further evolution to the right — toward rank market fundamentalism. Reform openly glorifies the American model of deregulated capitalism and at the same time declares that “globalism in the old sense” has allegedly already been overcome. Reform remains invariably captive to that economic school which most corresponds to the immediate needs of the donor class. In the period of aggravation of the crisis of confidence in the establishment, when the British political system, with its destructive failures, became discredited in the eyes of the working class — financial capital required new means of ideological deception.

In its manifestos Reform invariably promises to “return Britain to the people”, to lower taxes, to stop migration, to reform the NHS — all this while simultaneously being a surrogate for a real programme. But all these demagogic and false promises are intended for one purpose only: to conceal from the masses the circumstance that Reform’s real programme is a one-hundred-per-cent programme of British and American financial capital — and that in Faragist “popular sovereignty” there is not a grain of genuine sovereignty or genuine democracy.

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## **II. Atlantic Dependence and American Capital**

The “Atlantic Declaration” of 2023 and the subsequent agreements became an instrument of the economic enslavement of Britain by American capital. This is determined by the correlation of forces between the two economies: the GDP of the United States is seven times greater than the British — \$28 trillion against £2.5 trillion; American military expenditures are fourteen times higher than

British expenditures; American platforms control more than 80% of the British market in digital advertising, search and cloud computing.

British-American cooperation under present conditions leads to the strengthening of Britain's dependence upon the United States. This is determined by the correlation of forces between the two economies: the GDP of the United States is seven times greater than the British — \$28 trillion against £2.5 trillion; semiconductor production in the United States and in the chains controlled by it exceeds the British level twentyfold; American military expenditures are fourteen times higher than British expenditures; the share of the dollar in world reserves amounts to 59% against less than 5% for sterling. The digital economy of the United States dominates over the British one — American platforms control more than 80% of the British market in digital advertising, search and cloud computing.

The dependent and subordinate position of Britain within the system of the British-American bloc narrows the possibilities of its economic manoeuvring, transforms it into a chronic debtor of the American financial markets, and reduces it to the position of a junior partner and vassal of American capital.

The first and decisive step in incorporating Britain into the system of the American economic orbit after Brexit became the Atlantic Declaration signed by Sunak and Biden in June 2023. When the question of access for British companies to American subsidies under the Inflation Reduction Act was discussed in the American Congress, the principal motive of the supporters of British participation consisted in the fact that this served the task of supporting Britain as a dependent economic ally in competition with China. “Britain is the first line of American technological defence” — thus cynically declared American congressmen and technological lobbyists.

The agreement was signed upon conditions clearly oppressive for Britain. Britain undertook to soften and then altogether liquidate independent regulation in the sphere of artificial intelligence and digital markets — thereby opening the gates to American technological expansion. Britain further undertook to ensure “open doors” for the participation of American capital in the development of British defence and technological infrastructure. Under pressure from the United States British Steel in Scunthorpe found itself on the verge of liquidation in 2025 — the last major British producer of primary steel. The state was compelled to intervene on an emergency basis — nationalising the plant in April 2025 — but only in order to prevent immediate closure without any long-term industrial strategy.

Progressive circles in Britain resolutely oppose the oppressive conditions of Atlantic dependence. Even certain Conservative figures subject them to sharp criticism. Former Trade Secretary Liam Fox wrote concerning the conditions of the British-American trade negotiations: “They are directed toward placing the whole economic life of our country within the framework established by the selfish interests of American exporters and financiers. They are directed toward compelling our government to join as a satellite.” Independent experts express particular dissatisfaction concerning American claims upon the British data market and the NHS: “The British health-care system is the price by which access to the American markets is purchased. Every part of it deprived of state protection will be absorbed separately, will become an arena of American exploitation, a tributary of American medical corporations.”

When in May 2025 Trump and Starmer signed the British-American trade framework agreement, Farage was the first to support it, declaring it a “victory of common sense” — despite the fact that the agreement opened the British market to chlorine-washed chicken and hormone-treated meat and contained provisions facilitating the access of American pharmaceutical companies to NHS pricing structures. Farage thus acted as an active conductor of American corporate interests under the mask of British sovereignty. The “Atlantic Declaration” became the unwritten programme of the British right — both Labour and Reform — united in service to American capital despite the demonstrative rhetorical war between them.

Within the system of the British-American bloc Britain attempts to play a dual role. On the one hand American capital, exploiting Britain’s weakness and post-Brexit isolation, sets itself the task of the further subordination of British economy and markets. On the other hand the United States regards Britain as its principal European partner — the most obedient ally in confrontation with China and the most convenient bridgehead for penetration into the European markets through the City and the technological sector.

From the very beginning the “Atlantic Declaration” was regarded as the economic foundation of the military-technological alliance, as a means of purchasing British loyalty through limited access to American subsidies and technologies. Its political continuation became AUKUS, expanded in 2024, and the incorporation of Britain into the American system of control over technological chains. The oppressive conditions of American “assistance” for Britain are fixed in the bilateral trade framework agreement of May 2025. The agreement

provides for the creation of mechanisms of mutual recognition of standards — that is, in fact, the subordination of British regulatory norms to American ones. Britain undertakes to ensure “open doors” for the participation of American capital in the development of the NHS, digital infrastructure and defence industry. Britain further undertakes to provide the United States with access to data concerning its economic activity within the framework of the “cybersecurity partnership.” The United States retains the right to restrict British exports of technologies to third countries, proceeding from considerations of “national security” — that is, in fact, to dictate British export policy.

American capital employs various levers of influence upon British economy and politics in order to subordinate them to its directives. Above all the United States strives to subordinate Britain financially and technologically — to undermine the role of the City as an independent financial centre and to incorporate it into the dollar system as a regional link.

American monopolies are establishing control over the whole economic life of Britain. In the course of implementing the Atlantic Declaration, the penetration of American capital into the British Isles is intensifying. The British press reported the expansion of the presence of American technological corporations — Microsoft, Amazon, Google — within British state infrastructure, while emphasising that this is only the beginning. In Scotland a major Amazon Web Services data centre has established itself, producing output worth £2.5 billion annually. In Wales and North-East England American pharmaceutical companies have created production clusters attracted above all by the existence of a qualified and relatively inexpensive labour force by American standards.

Britain appears within the system of the Atlantic Declaration and the Atlantic bloc not only as an object of American expansion but also as an active accomplice and partner. The strengthening of Britain’s dependence and subordination in relation to the United States does not prevent the unleashing of its own sub-imperialist appetites. A peculiar hierarchy of subordination emerges: the United States strives to subordinate Western Europe including Britain by incorporating it into the dollar, technological and military orbit; Britain in its turn lays claim to the role of privileged intermediary between the United States and Europe — to a leading position in the European architecture of security and finance after Brexit.

Receiving American support, Britain simultaneously acts as a sub-creditor and sub-intermediary. In order to strengthen its positions in developing countries Britain grants loans and subsidies through British International Investment — formerly CDC — amounting to an

investment portfolio of about £9 billion. Likewise within the framework of the global infrastructure initiative of the G7 Britain not only receives American coordination but also provides financing for a number of projects in Africa and Asia amounting in total to approximately £8 billion.

Exploiting the grave economic position of a number of developing countries Britain through its financial structures and the City strives to preserve financial and economic influence in the post-colonial world. British strategy proceeds from the aim of transforming London into the principal financial hub for the Global South — against the background of competition with New York, Dubai and Singapore. This orientation is connected with opposition to the financial expansion of China in Africa and Asia through the mechanisms of the “Belt and Road.”

In Africa American capital through AGOA and new investment agreements has already overthrown and is disrupting the order established by British monopolies during the post-colonial period. The growth of Chinese influence in Africa by 2025 — China-Africa trade turnover amounts to \$282 billion annually against \$50 billion for Britain — has in fact displaced Britain from the position of the continent’s principal economic partner. British monopolies have unfolded activity in an attempt to regain the initiative through British International Investment with a portfolio of £9 billion — however these resources are clearly insufficient for any real confrontation either with Chinese or with American capital. And most important of all — Africa is increasingly advancing its own conditions of partnership, demanding industrial transfer and not merely financial instruments.

Centrifugal tendencies have intensified also within the so-called British Commonwealth. Canada has to a considerable degree passed into the economic and strategic sphere of the United States — bilateral United States-Canada trade turnover amounts to \$900 billion annually against £25 billion of British-Canadian trade. In Australia AUKUS was created in 2021 — a military alliance with the United States and Britain — however it was precisely the United States that obtained the dominant position within it, in fact displacing Britain from the nuclear submarine contract with France and replacing it with an American-Australian arrangement. Scotland in conditions of a growing movement for independence increasingly seeks alternative European ties. Northern Ireland de facto remains within the unified customs space of the European Union, creating a permanent constitutional and economic contradiction within the United Kingdom.

The United States carries out broad economic expansion in the markets of former British allies. Before Brexit British exports to Australia, New Zealand, Canada and India amounted in total to approximately £55 billion annually. By 2024 despite the conclusion of a number of trade agreements this figure had scarcely increased in real terms. American exports to the same countries during the same period grew by 40%. In the imports of the majority of Commonwealth countries the United States occupied either first or second place.

Striving to preserve positions within the former dominions British capital intensively exports financial and legal services there. American penetration into Australia is developing with particular violence in the spheres of technology, digital economy and defence industry. During 2020–2024 American investments in Australia increased from \$860 billion to more than \$1 trillion. British investments there amount to approximately \$630 billion — and their share continues to decline. American technological companies — Microsoft, Amazon, Google — constructed major data centres and cloud infrastructures in Australia attracted above all by the military-strategic significance of the country for American Indo-Pacific strategy.

British-American cooperation within the framework of AUKUS and the Atlantic bloc is accompanied by acute competitive struggle between the two partners. British monopolies attempt to retain positions in India through the trade agreement signed in May 2025 — the first major British trade agreement with India after Brexit — with trade turnover potentially amounting to £25 billion annually by 2030. However the United States simultaneously conducts its own negotiations with India and regards British-Indian rapprochement with suspicion whenever it exceeds the limits pleasing to Washington.

In connection with mounting competitive pressure Britain, Australia and a number of other Commonwealth countries undertook attempts to coordinate positions within CPTPP — the Trans-Pacific Partnership to which Britain acceded in 2023. These measures led to a certain expansion of British exports into the Pacific region. However this once more demonstrates that Atlantic loyalty does not eliminate acute contradictions between British and American interests and that such loyalty is incapable of preventing the further economic weakening of Britain.

The financial oligarchy of America, powerful technology trusts, energy and housing monopolies remain the full masters of contemporary Britain. In the post-Brexit period the processes of concentration and centralisation of capital intensified still further — in particular

through the merging of monopolies with the state by means of contracts and regulatory structures. Within British economy the leading positions are occupied by: the American technology concern Palantir, the energy trusts BP and Shell, the banking five — HSBC, Barclays, Lloyds, NatWest, Standard Chartered — the pharmaceutical giants AstraZeneca and GSK, the development monopolies controlling the country's land bank. The largest association of British monopolists — the Confederation of British Industry (CBI) — unites more than 190 thousand companies. The economic policy of Starmer's government is in fact formulated at closed meetings with party donors and City lobbyists. It is characteristic that Chancellor Reeves before entering politics worked at HSBC — the largest of the five system-forming banks.

Starmer's Labour government provided generous contracts to the private sector: Palantir received a contract for the processing of NHS data worth £330 million in 2023, expanded to £480 million by 2025. Consulting companies McKinsey, Deloitte and KPMG received contracts for NHS reform amounting in total to more than £1.5 billion during 2022–2025.

## **MECHANISM**

American Palantir began processing NHS data as early as 2019 — quietly, through informal meetings with officials. In 2020 it proposed building a Covid data repository for £1. Without competition, without tender — under emergency legislation. The price of the first extension was £23 million. The price of the contract by 2023 was £330 million. By 2025 — £480 million. The scheme shows directly: they entered through crisis in order to remain forever.

But money is only the surface. The real mechanism is people. The Nerve investigation of April 2026 established that at least 32 senior British officials moved to work for Palantir after government service.

Lawrence Lee — Second Permanent Under-Secretary at the Ministry of Defence — personally wrote the entire British military strategy in the field of AI and met Palantir nine times in an official capacity between 2021 and 2023. He is now chief adviser to the CEO of Palantir on “geostrategy”.

Indra Joshi — Director of AI at NHS England, who created the NHS Artificial Intelligence Laboratory — became Palantir's Director of Health.

Matthew Swindells — Deputy CEO of NHS England and personal adviser to the Prime Minister — advised Palantir through Peter Mandelson’s lobbying structure while at the same time remaining chair of four NHS Trusts. In 2025 the Financial Times exposed him for persuading doctors to transfer patient data onto Palantir platforms.

Nine days. Exactly that much time passed between Barnaby Kistruck leaving the post of Director of Industrial Strategy at the Ministry of Defence and appearing in the chair of senior adviser to Palantir in September 2025. Four months later — a £240 million Ministry of Defence contract without competition.

Total: £670 million in government contracts. 32 officials transferred. Official meetings with the Prime Minister, the ambassador, six Cabinet ministers — in 2025 alone. When Starmer flew to Washington in February 2025, he made a special stop — at Palantir’s office. “You could see in his eyes that he understood,” said Louis Mosley, head of Palantir UK, afterwards.

Louis Mosley is the grandson of Oswald Mosley, the British fascist of the 1930s. Such are the facts.

What matters here is not the genealogy in itself, but the political meaning of the coincidence: the British state is transferring control over medical and defence data to a company whose British leadership is connected with a surname that is a historical symbol of the fascist movement of the 1930s. Such a fact cannot be left at the level of a biographical detail. Its place is in the line: state, data, security, private monopoly, rightward turn.

The money goes not only in payment for a software product. It creates a private infrastructure for the administration of the state. The NHS, defence, police and risk analytics are transformed into a market where the state budget covers the costs, while a private company obtains control, data, personnel and the long-term dependence of the client.

The administration of the reformed state services likewise has nothing in common either with the people’s interest or with democracy. At the head of the reforms are placed structures which possess financial and administrative autonomy, are free from permanent accountability to Parliament, and are the executive organ of private interests. These structures are declared a “successful” experience of public-private partnership —

although the first such PFI schemes of the 1990s cost the British taxpayer £200 billion in overpayments.

In the administrations of privatised industries, representatives of large corporations rule the roost. The same “honourable” gentlemen sit in the administration of water supply — beside the top managers of Thames Water, which accumulated £15 billion of debt while paying £2.7 billion in dividends to shareholders over the past decade. In the Bank of England, beside Governor Andrew Bailey — a man from the financial structures of the City — sit representatives of the largest banks. It is characteristic that Chancellor Reeves before entering politics worked at HBOS — a structure ultimately absorbed by Lloyds Banking Group. The government faithfully serves the same interests which fed its members before they came to power.

### **THAMES WATER: PRIVATISATION OF PROFIT AND PUBLIC LOSSES**

Thames Water is not an exception and not a managerial failure. It is a model of how privatised infrastructure operates under the rule of financial capital: debt accumulates, dividends are paid, pipes decay, the regulator records violations, and then the state is forced to discuss rescuing the system, because society cannot exist without water.

It is precisely here that one can see that bourgeois privatisation does not mean private responsibility. It means the private appropriation of income and the public covering of consequences. When an asset brings profit — it is private. When breakdown, debt and destruction arrive — it becomes a “national problem”.

This model must be placed alongside the NHS and Palantir: in one case private capital appropriates water rent, in another — digital rent from medical data, in the third — military rent through defence contracts.

At the Labour conference in Liverpool in 2024 the trade unions introduced a resolution demanding the nationalisation of energy and water supply. Labour ministers speaking against this resolution cynically declared that “among the trade unions there are no people who understand how to manage complex infrastructure.” The leadership secured the withdrawal of the resolution, promising to conduct “consultations on regulatory reform.” Approximately the same was repeated at the 2025 conference. The reform of Thames Water was prepared in

such a way that the Labour leadership is cooking an omelette without breaking the eggs — so that at any moment everything may be returned to its former state should such be the will of the creditors.

As regards the reform of Thames Water and the water sector, Starmer’s government delayed nationalisation by every possible means and by 2025 began to carry out “special administration” — that is, in fact, the state rescue of a loss-making company — by still more anti-popular methods, still more openly in the interests of monopolist creditors. First of all, not the whole company passes under state control. Further — compensation to creditors is established according to inflated asset valuations. The managing structure is endowed with broad autonomy, while the entire management remains preserved in its former form. The role of the government is reduced to the fact that it in reality assumes the losses while ensuring at the same time the preservation of the claims of private creditors. Conservatives declare that they do not intend to return to full nationalisation because “one cannot turn an omelette back into eggs.” The reform of water supply has been prepared in such a way that the Labour leadership is cooking an omelette without breaking the eggs — so that at any moment everything may be returned to its former state should such be the will of the creditors.

The scandal with the PFI contracts, which became the subject of parliamentary investigations during 2023–2025, revealed how Labour and trade-union nominees became consultants to the very corporations which they regulated, obediently carrying out their directives. The government endeavoured to hush up the scandal, limiting itself to several resignations at the level of deputy ministers.

The Labour programme of 2024 rejected the demands of the trade unions concerning the nationalisation of energy, water supply, transport infrastructure and housing — and for the sake of appearances advanced only proposals concerning the creation of GB Energy as a state company without real control over the sector. The speeches of Labour leaders in defence of this programme represented a panegyric to public-private partnership and the “attraction of private investment.”

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### **III. Banks, Land, Data and Military Contracts**

Farage is not the primary cause of the British crisis. He is the political form through which large capital directs popular discontent to the right. Therefore the

analysis cannot be built around one party. It must be built around the power of monopolies: the bank, the insurance group, the asset manager, the military contractor, the energy company, the landed proprietor, the digital platform and the media machine.

Contemporary Britain is governed not only by Parliament and the Cabinet of Ministers. Real power is distributed among the financial groups of the City, American asset managers, energy and defence concerns, pharmaceutical corporations, construction monopolies, consulting firms and digital platforms. It is precisely this system that determines the limits of the politics of Starmer, the Tories and Reform UK.

### **THE CENTRE OF POWER — THE BANK AND DEBT**

HSBC, Barclays, Lloyds, NatWest and Standard Chartered cannot be placed beside other companies as an ordinary list. They must stand at the centre of the analysis. Through credit, mortgages, bond issuance, corporate finance, the servicing of state debt and links with pension and insurance funds, the banks determine who receives capital, who survives, who merges, who goes bankrupt and who receives state support.

To this banking layer is added a second floor — asset managers and insurance groups: BlackRock, Vanguard, State Street, Legal & General, Aviva, Prudential and pension funds. They hold stakes in banks, energy, defence industry, pharmaceuticals and infrastructure. Therefore the British economy increasingly acts as a junior partner of the Anglo-American financial bloc.

The City lives not by industrial development, but by servicing debt circulation, insurance, currency operations, derivatives, legal structuring of transactions and offshore architecture. Capital goes not into machine-tools, but into securities; not into factories, but into financial claims; not into the reconstruction of the North, but into share buybacks and dividends. Thus financial rent substitutes industrial development.

Sphere of Power	Power Holders	Political Result
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Banks and State Debt	HSBC, Barclays, Lloyds, NatWest, Standard Chartered, the gilts market, rating agencies	Budgetary policy is subordinated to the debt market and the interests of the City
Savings of the Population	Legal & General, Aviva, Prudential, pension funds, BlackRock, Vanguard, State Street	Workers' savings are transformed into capital for dividends, share buybacks and corporate control
Land and Housing	Land banks, developers, REITs, mortgage banks, rental funds	The worker's wage returns to capital through rent, mortgages and the growth of land rent
Energy and Water	Shell, BP, National Grid, Thames Water and water companies	Vital services are transformed into sources of rent
Defence Contracts	BAE Systems, Rolls-Royce Defence, Babcock, QinetiQ and contractors	Militarisation becomes a method of guaranteed profit
Data and Digital Power	Palantir, Microsoft, Google, Amazon Web Services, Meta	State services pass into dependence upon private platforms
Media and Political Agitation	GB News, TalkTV, X, YouTube, Meta, advertising networks and donor funds	Right-wing protest is produced and amplified by algorithms

The housing crisis cannot be explained only by a shortage of houses. It must be explained by land rent, mortgage interest, developers' land banks, the rental system and the dependence of municipalities upon private contractors. The worker pays thrice: first through low wages, then through mortgage or rent, then through taxes from which the state subsidises infrastructure and rescues private schemes.

The same applies to water, energy and transport. Thames Water shows how modern rent operates: the asset is privatised, debt accumulates, dividends are paid, pipes rot, the state threatens intervention, and the consumer receives higher bills. This is not accidental bad management. It is a form of extracting income from a vital service.

Energy is built according to the same logic. Shell, BP, National Grid and energy suppliers are in a position in which crisis for the population becomes a source of income for capital. The worker pays a higher bill for gas and electricity, while the shareholder receives a dividend. The government calls this the market, but in fact it is a question of transferring vital infrastructure under the control of financial capital.

In the middle of the twentieth century monopoly controlled oil, steel, tobacco, ships, the press and bank credit. In 2026 it controls state data, medical records, police analytics, military algorithms, clouds and decision-making platforms.

Therefore Palantir must be placed not as a private episode of the NHS, but as a central example of the new digital monopoly. The NHS contract for the Federated Data Platform, work with the defence sector and attempts to enter police analytics show one line: a private American company receives access to the principal masses of state information.

This is no longer ordinary privatisation. It is the transfer of the nervous system of the state to a private contractor. The state pays for the creation of the system, officials move to the contractor, and control over data and algorithmic administration is obtained by a private monopoly.

The military economy is the second supporting pillar. BAE Systems must be shown not as a separate successful company, but as a centre of military profit. The growth of military expenditures, supplies to Ukraine, the expansion of obligations before NATO and new defence programmes transform the state budget into a channel of guaranteed orders. War and the threat of war become a source of stable profitability for shareholders.

Here the real role of Reform is disclosed. Farage does not abolish the power of the banks, does not touch land rent, does not nationalise water, does not return NHS data under public control, does not break the power of asset managers, does not oppose defence contracts as a source of profit. He gives the worker not a programme of liberation, but a list of enemies convenient for capital: the migrant, Brussels, judges, regulators, climate policy.

Therefore Reform UK is not a revolt against the system. It is the system in a right-wing mask. Its task is to transfer the discontent of the working class from banks, monopolies, rent, military contractors and American platforms to targets more convenient for capital.

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## **IV. Monopolies, Profit and the Impoverishment of the Working Class**

Monopoly profits continue to rise in abrupt leaps. If the FTSE 100 profit index for 2020 is taken as 100, then it stood at 142 in 2022, 158 in 2023, and 171 in 2024. Dividends paid to shareholders of FTSE 100 companies amounted to £78.9 billion in 2022, £82.3 billion in 2023, and a record £87.2 billion in 2024.

## **THE ARITHMETIC NOBODY CARES TO CALCULATE — YET SIMPLE ENOUGH TO CALCULATE**

In 2026 FTSE 100 companies will pay shareholders a record £88 billion in dividends. Of this sum, 52% — that is, £45.7 billion — will be paid by ten companies. Ten out of one hundred.

HSBC — £10.7 billion. Shell — £6.3 billion. British American Tobacco — £5.3 billion.

Above this stand the buybacks: in 2024 FTSE 100 companies repurchased their own shares for £58.3 billion. A new record. Total corporate payouts to owners amounted to more than £146 billion in a single year.

Real wages for 60% of British workers remain below the level of 2021. During 2024–2025 food banks were used by 3.1 million people — three times more than in 2019. The government explains budgetary consolidation simply through a “lack of money.”

There is money. It merely flows in another direction.

## **BUYBACKS AGAINST INDUSTRY**

Share buybacks are not a technical accounting operation, but a political-economic fact. Capital which could have gone into new productive capacity, machine-tools, training, housing and infrastructure is returned to owners through the growth of share prices and the reduction of the number of shares in circulation.

Thus monopoly reveals its real programme: not the expansion of production, but the maintenance of the owner’s income. The greater the buyback, the clearer it becomes that all talk of a “lack of money” for the NHS, schools, housing and industry is a conscious falsehood.

The British economy stagnates precisely because profit is transformed not into productive investment, but into the financial self-rewarding of capital.

## INTERLOCKING DIRECTORATES — 2025

In the middle of the twentieth century British researchers of monopoly demonstrated that the directors of the largest banks simultaneously occupied hundreds of positions in industrial, defence, insurance and colonial companies. This was precisely what was called the fusion of banking and industrial capital.

Seventy years later the mechanism remains the same. Only the names of the companies and the form of organisation have changed.

## INTERLOCKING DIRECTORATES — 2025

Name / Position	Banking / Finance	Industry / Defence / Energy	State / Regulators
Brian Gilvary	Barclays (Senior Independent Director since 2020)	INEOS Energy (Chairman); BP (CFO, 2012–2020)	MoD: member of the Defence Board, Chair of the Audit Committee (since 2023)
Andrew Mackenzie	—	Shell plc (Chairman)	UKRI: Chairman (budget approximately £8 billion annually; since 2021)
Three Barclays directors simultaneously	Barclays	—	Members of the boards of three government departments simultaneously (according to <i>The Ecologist</i> , 2025)
Director of British Airways	—	IAG / British Airways (communications and lobbying)	Cabinet Office: board member (lobbying against aviation climate regulations)
Executives originating from PwC / McKinsey / Deloitte	Audit of major banks	Consulting for the oil sector	Non-executive directors in several ministries simultaneously

Dr Brian Gilvary occupies the chair of Senior Independent Director of Barclays, simultaneously heads INEOS Energy (petrochemicals) and sits on the Board of the

Ministry of Defence, where he presides over the Audit Committee. Three roles. Three conflicts of interest. Zero public discussion.

Sir Andrew Mackenzie, while serving as Chairman of Shell — an oil major with assets of \$350 billion — simultaneously heads UKRI, a national agency with a budget of £8 billion financing British science. In 2024 employees of UKRI openly asked him: “How can you head an organisation whose researchers demonstrate the necessity of ending fossil extraction — and simultaneously be Chairman of Shell?” The answer satisfied no one.

*The Ecologist* (October 2025) established that two thirds of the non-executive directors of British government departments come from the corporate sector. The Group Risk Director and the Senior Adviser to the CEO of Barclays — both simultaneously sit on the boards of government departments.

Then this was called the personal union of capital — a method of governing the country without visible control. In 2025 this is called independent oversight.

## **CITY: WHERE THE CENTRE OF PROFIT IS LOCATED**

The principal beneficiary of the British model is not the working North, not the NHS, not industry, but the financial apparatus of the City. Britain increasingly exports not machines and machine-tools, but financial, insurance, legal and accounting services. This means that national income depends ever more heavily upon the circulation of debt, commissions, premiums, transactions, securities and intermediary operations.

When the state speaks of “growth”, it most often speaks not of a new factory, but of a new deal, a new fund, a new bond issue, a new insurance scheme, a new contract with consultants. Within this system industry becomes a subordinate appendage of financial circulation, while the working class becomes a source of payments for rent, mortgages, utility bills, taxes and consumer credit.

Hence also the political weakness of the country: an economy which lives above all upon financial rent is incapable of rapidly restoring an industrial base. It can pay a consultant, but cannot build a factory; it can issue a debt instrument, but cannot create a machine-tool base; it can repurchase shares, but cannot restore Scunthorpe.

Having frozen the real growth of wages in the public sector, Starmer's government — through the mouth of Chancellor Reeves — appealed to corporations with exhortations to “show restraint” in the growth of profits. In practice this appeal amounted to a simple recommendation: better to conceal profits through share buybacks and offshore structures. The response of the corporations consisted in further reductions of corporate taxation, the preservation of offshore regimes and the intensification of labour.

According to ONS data for 2025, 1% of the population of Britain owns 23% of all the country's wealth, while 10% owns 57%. 14.4 million people live below the poverty line, including 4.3 million children. This social pyramid remains untouched both under the Labour government and under the Conservative government. Tax privileges granted to the financial sector of the City amounted to £4.3 billion during 2024–2025, while contracts with consulting corporations increased to £3.2 billion annually.

The lowering of the living standards of the working population proceeds along various lines. If 2019 is taken as 100, then by May 2026 the index of the real expenditures of a working family stands at approximately 134 — the cost of living has risen by one third. The index of nominal wages in the private sector stands at approximately 124, in the public sector at approximately 116. The real wages of public-sector workers declined by approximately 13–15% relative to 2019. Energy bills increased by 2.1 times relative to 2021. According to estimates of the IFS, the freezing of tax thresholds is equivalent to an additional extraction of £25 billion annually from the incomes of the middle class. Council tax and NI increased by 30–40% over the last five years, and up to 70–75% of this burden falls upon workers and employees. According to the Resolution Foundation, in 2025 a worker in Britain must labour 1.5–2 times longer than in 2000 in order to acquire housing in private ownership.

## **LAND AND HOUSING: A HIDDEN FORM OF EXPLOITATION**

The housing question is not a secondary social issue, but one of the principal mechanisms for the redistribution of wages in favour of capital. The worker receives wages, yet a significant portion of them immediately returns to the financial sector through rent, mortgages, interest payments, insurance, council tax and utility bills.

Large developers and landholders do not strive to build as much housing as society requires. Their interest lies in preserving scarcity, maintaining land prices and selling

housing in such a manner that profit margins remain high. The land bank becomes not a reserve for construction, but a form of power over the future price.

Thus housing policy is transformed into a mechanism for disciplining the working class. A person crushed by rent or mortgage debt is less free in politics, weaker in strike action and more dependent upon the employer. Land rent becomes a political weapon of capital.

The Joseph Rowntree Foundation report for 2025 stated that the average British household spends 18% more in real terms upon basic necessities than in 2019. Meat consumption in low-income households declined by 21% during the years 2021–2025. The number of Britons using food banks reached a record 3.1 million persons — a threefold increase relative to 2019. The cost of the food basket of a working family rose by approximately 28% between November 2021 and May 2026.

Housing conditions in Britain were already extremely severe for the working masses before the crisis. During the period 2010–2024 approximately 20% of the social housing stock was destroyed — through underfinancing and degradation. Starmer's government promised to construct 1.5 million homes within five years, yet these promises remain to a considerable extent upon paper. The pace of housing construction during 2024–2025 amounted to approximately 220 thousand units annually — instead of the required 300 thousand. In 2025 the government, in the interests of budgetary economy, reduced capital investment in social housing from £11.5 billion to £9.4 billion.

The Reeves budget of October 2024 introduced an increase of 1.2% in employers' national insurance contributions, which was immediately transferred onto the workers through hiring freezes and rising prices. Electricity and gas bills increased in April 2025 by 6.4%. The gender wage gap according to ONS data for 2025 amounts to 14.3% in favour of men — and practically did not diminish during the two years of Labour government.

The share of wages in national income declined from 74% in 2008 to 68% in 2025, while the share of profits and rents rose correspondingly. The index of industrial production in 2024 amounts to only 97 relative to the level of 2019 — by the beginning of 2026 industrial production still had not returned to the pre-Covid level. Britain possesses 101 industrial robots per 10,000 workers — against 397 in Germany, 332 in the United States and 1,012 in

South Korea. In 2024 British corporations exported abroad through direct foreign investment approximately £85 billion — twice as much as they invested in domestic industry.

The government speaks much about an “industrial strategy.” Plans pour forth as from a cornucopia: the strategy of 2024, the corrected version of 2025, the “ten-year infrastructure programme.” *The Guardian* reported that the present Labour “industrial strategies” are being drafted according to the recipes of McKinsey and Deloitte — major monopolies are consulted regarding their investment plans, after which all this is assembled together and diluted with Labour rhetoric concerning a “just transition.” The composition of the British-American Business and Technology Council established in 2023 is characteristic: at its head stand representatives of JPMorgan, Goldman Sachs, Google, Microsoft and Palantir, together with two representatives of British professional associations and the permanent deputies of three British ministers. That is to say, the same trusted representatives of the City and Silicon Valley.

Monopolies continue their customary policy of artificially restricting supply in order to maintain prices. According to Ofgem data, generation capacity within British energy industry remains underloaded by 20–30% during peak periods simultaneously with rising prices for consumers. Underutilisation of the shipbuilding and machine-building industries remains at the level of 40–50% of potential capacity.

For the Labour conference in Liverpool in 2024 an appeal of the party executive committee was issued under the title “Growth — the Path to Prosperity.” The meaning of this slogan consists in diverting the workers from the structural causes of their impoverishment, convincing them that they possess a common interest with corporations in the matter of “raising productivity.” And the principal point of this slogan lies in the pressure upon labour intensity and the legitimisation of the flexible labour market. The call for rising productivity without rising wages occupied a central place also at the conference of 2025.

Labour productivity in Britain is lower than in France, Germany and the United States as a result of the technical and organisational backwardness of British industry. Capital equipment per worker in Britain is twice lower than in the United States and 30% lower than in Germany. During the period 2010–2024 capital equipment in the manufacturing sector became obsolete more rapidly than it was renewed. A considerable portion of it proved physically and morally worn out.

Before coming to power in 2024 the Labour leadership promised to achieve the technical reconstruction of British industry through GB Energy and a national investment fund. This promise remained to a considerable extent merely a promise. Capital investment and the policy of capital investment in Britain are determined not by the government but by the financial oligarchy of the City.

The position regarding new productive investments is determined by the following data. The annual volume of productive investment in Britain amounts to approximately £200 billion — of which only around £40 billion goes directly into manufacturing industry. During 2022–2024 capital investment in production corresponded merely to the level of depreciation and remained below what was necessary for the real renewal of fixed capital. British monopolies invest very sparingly in domestic production — in 2024 British corporations exported abroad through direct foreign investment approximately £85 billion, that is, twice as much as they invested in domestic industry.

The course of technical modernisation may be judged from the fact that the supply of industrial robots and CNC machine tools considerably lags behind the level of competitors. Britain possesses 101 industrial robots per 10,000 workers — against 397 in Germany, 332 in the United States and 1,012 in South Korea. The provision of machine-building equipment amounts to approximately 65% of the necessary level. At the same time the export of financial and legal services is being intensified. In the financial sector capital investment exceeds investment in production by three to four times.

The uneven development of various branches of British economy intensified still further during the post-Brexit period. This affects the distribution of investments — carried out spontaneously in accordance with the interests of monopolies. The government strives to direct the principal mass of state investment toward branches connected with the defence complex — defence expenditures rose from 2% of GDP in 2023 to 2.5% in 2026 in accordance with NATO obligations.

The principal problems of food security likewise remain unresolved. Post-Brexit trade barriers complicated the supply of agricultural labour power and the import of foodstuffs from the European Union. Britain produces domestically approximately 60% of the food it consumes against 75% in the 1980s. Independent experts propose during the next five years to increase state support for farming enterprises, organise assistance to small farmers and encourage cooperation. However under Starmer's government agriculture not only failed to

move forward — it took a step backward. The volume of state subsidies to farmers declined after the replacement of the EU Common Agricultural Policy system by the Environmental Land Management scheme — out of 100 thousand farming enterprises receiving subsidies approximately 40 thousand received less in 2024 than previously. Agriculture Minister Steve Reed in 2025 was compelled to acknowledge the crisis within the branch and the failure of the original transition plans.

The chronic deficit of the balance of payments can be eliminated only through decisive reindustrialisation. The current-account deficit amounted to £96 billion in 2016, £80 billion in 2019, £74 billion in 2023 and approximately £80 billion in 2024. The trade deficit in goods amounted in 2024 to approximately £230 billion — partially compensated by a surplus in services trade of £170 billion. Before Brexit Britain exported approximately 45% of manufactured industrial goods — by 2024 the share of industrial exports in GDP had fallen to a historic minimum of 9%. Industrial exports in 2024 exceed the 2016 level by only 3%.

Labour's promises concerning "good work for everyone" proved a bluff. According to ONS data the number of economically inactive persons — that is, those who have completely withdrawn from the labour market — rose from 8.5 million in 2019 to 9.4 million in 2025. Official data demonstrate growth of employment — yet a significant part of it consists of part-time employment and zero-hour contracts. According to TUC estimates real hidden underemployment encompasses approximately 3 million people in addition to official unemployment.

Within British economic conjuncture signs of an approaching downturn appeared already from 2024 onward: the cessation of growth in industrial production within a number of branches, declining retail sales, rising inventories within retail chains. From the beginning of 2025 the country has balanced upon the threshold of technical recession. This found expression in the growth of the foreign-trade deficit, the sharpening of currency pressure upon sterling, the slowing of GDP growth to 0.1–0.3% per quarter, and the reduction of household savings to the historically low level of 8.9% of disposable income.

Such is the real outcome of Labour's "progressive government of change": progress in words, service to monopolistic capital in deeds. But do not imagine that Reform UK will "set matters right" — upon coming to power it will destroy all remaining parties, just as Hitler once did. In the final analysis the English worker will find himself in the same position as the German worker in the time of Hitler. Fascism is the terrorist dictatorship of monopolistic

capital. Its purpose is the strengthening of the class domination of the big bourgeoisie, the prevention of revolutionary explosion, and the suppression of the working class and its organisations.

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## **V. Faragism, the NHS, War and the Media Machine**

Reform attempts to present its rhetoric of NHS privatisation and deregulation as reform. The demand to “free the NHS from bureaucracy” is being advanced under pressure from below — from patients and health-care workers driven to despair. But Reform, having solemnly pledged to improve the NHS, advances its reform in such a manner that it hollows out every element of its public content and adapts it to the interests of private capital.

Privatisation in the Faragist manner is a state-capitalist measure in the interests of American and British medical corporations. The weakening of the British state and of its positions precisely facilitates the development of private-capitalist tendencies in British health care. British finance capital, by force of circumstances, is impelled toward the maximum concentration of its forces under the cover of populist rhetoric. In assessing the character of these measures, the decisive question is: in whose hands will real control be? — and the answer is obvious: in the hands of Palantir, American insurance corporations and private medical networks.

Since British capital is compelled to undertake such measures as the partial preservation of the NHS, this reform is carried out by Reform for the benefit of capital and against the ordinary patient and health-care worker. It is highly characteristic that the Tories likewise do not object to the majority of Reform’s reform proposals. The economic programme of Badenoch’s Conservatives, published in 2025, indicates that the Conservatives, in the event of their coming to power, will not demand the abolition of market mechanisms within the NHS and will limit themselves merely to a certain modification of methods of administration.

Characteristic of Reform’s programme is the choice of objects of reform. Even if the whole declared programme of Reform were carried out, in reality only that which hinders finance capital would be altered — while 80% of the structural problems of British deindustrialisation, the housing crisis and energy dependence would remain untouched.

Reform primarily touches those branches clearly burdensome for the state — the NHS, social services, regulators — that is to say precisely those whose liquidation reduces the costs of capital and opens markets for American corporations. Reform of the NHS in the Faragist manner means that the government removes costs from itself and places them upon the taxpayer in the form of insurance contributions — while at the same time ensuring the preservation and multiplication of the profits of private medical operators. Not without reason did Farage himself declare in a 2025 interview, addressing in reality the donor class: “We shall free you from the regulatory burden.”

Farage covers his faithful service to the American right-wing camp with false phrases about “popular sovereignty” and “British interests.” Reform openly glorifies the American model of deregulated capitalism. Reform borrowed its economic conceptions from representatives of the American libertarian school — Thiel and his circle as contemporary sponsors. In the period of the sharpening crisis of confidence in the establishment, finance capital needed new means of ideological deception — and Faragism proved to be a genuine find.

Bannon named the strategy directly: “find people whom the system has abandoned and give them an enemy.” Migrants and elites are appointed as the enemy — but not the American corporations controlling the NHS, not Palantir storing the data of British patients, not Thiel financing Reform itself. And certainly not BAE Systems — the military concern whose shareholders earn money on every new turn of tension which Farage rhetorically supports.

## **THE MILITARY MONOPOLY: WHO PROFITS FROM WAR**

There exists a company which has profited from every month of the war in Ukraine more than any other British corporation. BAE Systems is the direct heir of Vickers-Armstrong, the largest military concern of mid-twentieth-century Britain, whose directors sat upon the boards of all the largest banks of the country.

This is precisely the modern form of the old military capital: the state declares a threat, the budget opens appropriations, the Ministry of Defence places an order, the contractor records profit, asset managers receive dividends, while the worker is told that there is no money for hospitals and housing.

From February 2022 — from the first day of the Russian invasion — the shares of BAE Systems rose by 255%. £10,000 invested on the eve of the war had turned into £33,639

by the beginning of 2026.

The financial results of 2025: revenue — a record £30.66 billion (+10%), profit before taxation — £3.32 billion (+12%), order backlog — a record £83.6 billion. The company returned £1.5 billion to shareholders through dividends and buybacks in 2025 alone. Forecast for 2026: a further growth of sales by 7–9%. CEO Charles Woodburn described what was taking place as “a new era of defence expenditure.”

Now let us examine who demands this “new era.” Farage is the loudest supporter of increasing military expenditure “without limits.” Reform demands 3% of GDP for defence. Every percentage point added to the defence budget constitutes a direct order for BAE Systems. The war which Farage rhetorically supports is the profit received by BAE shareholders.

The largest shareholders of BAE Systems are BlackRock, Vanguard and Legal & General. The very same asset managers who sit upon the boards of the very same banks financing British state debt. The very same funds which, through intermediaries, support the media ecosystem surrounding Reform.

Farage shouts about sovereignty. The money from his rhetoric flows toward the shipyards of BAE Systems, and from there — in the form of dividends — toward London and New York.

The aggressive policy of the Atlantic bloc is inseparably bound up with a new arms race and the all-round militarisation of the British economy. Military expenditure, which amounted in 2014 to £33 billion — approximately 2% of GDP — had risen by 2025 to £54 billion and according to NATO obligations must reach 2.5% of GDP, that is approximately £67 billion, by 2027. During the four years from 2022 to 2025 approximately £200 billion was expended upon military needs — 2.5 times more than during the preceding four years. Military expenditure already absorbs approximately 8–9% of the state budget — and this share continues to grow. Even mainstream economists indicate that Britain is incapable simultaneously of increasing military expenditure, reindustrialising the North, financing the NHS and maintaining the budget deficit within limits. The Economist wrote directly: “Britain can have enough missiles or enough hospitals — but not enough of both at the same time.”

The stamp of the military economy lies upon all branches of British economic life. By 2025 only those branches directly connected with military needs or with the financial sector had reached or exceeded their former level — the production of armaments, the aerospace industry, petrochemistry and financial services. Civilian branches — construction, textiles, the food industry and retail trade — stagnate or contract. The rescue of British Steel in April 2025 — the last primary steel plant — was justified by Industry Minister Reynolds on the grounds that “under conditions of growing military threat we shall require domestic primary steel.” This is not industrial policy — it is military logistics.

When in May 2025 Trump and Starmer signed the British-American trade framework agreement, Farage was the first to support it, declaring it a “victory of common sense.” This despite the fact that the agreement opened the British market to chlorine-washed chicken and hormone-treated meat and contained provisions facilitating the access of American pharmaceutical companies to NHS pricing structures. Farage thus acted as an active agent of American corporate interests beneath the mask of British sovereignty. The “Atlantic Declaration” became the unwritten programme of the British Right — both Labour and Reform — united in service to American capital despite the demonstrative rhetorical war between them.

The oppressive conditions of American “assistance” to Britain are fixed within the bilateral trade framework agreement of May 2025. The agreement provides for mechanisms of mutual recognition of standards — that is, in reality, the subordination of British regulatory norms to American ones. Britain undertakes to ensure “open doors” for the participation of American capital in the development of the NHS, digital infrastructure and defence industry. Britain further undertakes to provide the United States with access to data concerning its economic activity within the framework of the “cybersecurity partnership.” The United States retains the right to restrict British exports of technologies to third countries — that is, in effect, to dictate British export policy. Britain undertook to reduce barriers for American foodstuffs and pharmaceuticals — permitting products not accepted within the European Union, which encompass approximately 15% of British food imports. At the same time Britain failed to secure from the United States the removal of steel and aluminium tariffs — the preservation of which inflicts direct damage upon the remnants of British metallurgy.

American technological supplies under the Atlantic Declaration constitute a peculiar method of regulating the British economy. Real industrial technologies — machine-tools, robots and productive equipment — constitute only a small share of American technological transfer. The overwhelming share consists of software, cloud services and platform solutions — that is, instruments creating permanent dependence rather than productive sovereignty. American monopolies do not desire the restoration of a British industry capable of competing with them — they desire to secure broader markets for their digital services in Britain and, through Britain, upon the European market.

One of the organs of American control over the British economy is the British-American Business and Technology Council established in 2023. At its first meetings the American side raised questions touching the principal problems of internal British policy: the role of state regulation within digital markets, the rights of trade unions in the platform economy and the standards of the NHS. A representative of the American side declared that “if regulatory rules remain in Britain under which American technological companies cannot operate effectively — then the United States will insist upon changing these conditions before American capital begins to invest massively in British infrastructure.” The American side officially advances a claim to the right of intervention in Britain’s internal regulatory affairs. Their concern for raising productivity is reduced to demands for lowering labour costs and intensifying labour through automation without guarantees of employment.

The strengthening of Britain’s dollar dependence created a structural breach in the country’s financial and monetary system. Sterling lost approximately 25% of its value relative to the dollar during 2016–2023. The foreign exchange reserves of the Bank of England amount to approximately \$110 billion — 25 times less than the reserves of China. Britain chronically depends upon the inflow of foreign capital in order to finance the current-account deficit — approximately £80 billion annually. Exploiting this position, the monopolists of Wall Street through rating agencies and pressure upon debt markets in reality dictate the parameters of British budgetary policy. It was precisely under this pressure that Chancellor Reeves in October 2024 was compelled to announce budgetary consolidation — a new assault upon the living standards of the working masses. During 2016–2024 American corporations acquired British assets amounting to more than \$400 billion — including major industrial enterprises, pharmaceutical companies and technological firms.

The United States, artificially restraining British access to Chinese technologies while simultaneously failing to provide real industrial transfer, leaves Britain in a technological vacuum. As a result of the policy of following American sanctions restrictions Britain found itself largely cut off simultaneously from the Chinese market and from Russian energy carriers. The policy of economic discrimination against Russia since 2022 intensified dollar dependence — Britain now purchases liquefied gas from the United States for dollars instead of cheaper pipeline gas.

Centrifugal tendencies within the so-called British Commonwealth have intensified. Canada has to a considerable extent passed into the economic and strategic sphere of the United States — the annual bilateral trade turnover of the United States and Canada amounts to \$900 billion against £25 billion of British-Canadian trade. In Australia the United States obtained the dominant position within AUKUS, in reality displacing Britain from the nuclear submarine contract with France. Scotland, under conditions of the growing movement for independence, increasingly seeks alternative European ties. Northern Ireland de facto remains within the single customs space of the European Union, creating a permanent constitutional and economic contradiction within the United Kingdom. The growth of Chinese influence in Africa by 2025 — China-Africa trade turnover amounts to \$282 billion annually against \$50 billion of British trade — has in reality displaced Britain from the position of principal economic partner of the continent.

The question of British Steel and the preservation of British metallurgy constitutes an object of serious British-American disagreements. In the end, under pressure, Britain was compelled in April 2025 to carry out the emergency nationalisation of British Steel in Scunthorpe — the last primary steel plant — merely in order to prevent immediate closure without any long-term strategy. Upon entering office in 2025 Trump continued the policy of steel tariffs against Britain despite allied obligations. The British-American negotiations of May 2025 produced only a partial softening of tariffs on steel and aluminium — considerably less than the British side demanded and three times less than the real losses inflicted upon British metallurgy by American tariff policy.

The aggressive policy of the Atlantic bloc is inseparably connected with a new arms race and the all-round militarisation of the British economy. Military expenditure, which amounted in 2014 to £33 billion — approximately 2% of GDP — had risen by 2025 to £54 billion and according to NATO obligations must reach 2.5% of GDP, that

is approximately £67 billion, by 2027. During the four years from 2022 to 2025 approximately £200 billion was expended upon military needs — 2.5 times more than during the preceding four years. Military expenditure already absorbs approximately 8–9% of the state budget — and this share continues to grow. Approximately 180 thousand persons are employed directly within the armed forces and defence industry — these are people withdrawn from the productive civilian sector. Obligations concerning supplies to Ukraine and the expansion of domestic military production require an increase in the production of ammunition by 3–4 times relative to the level of 2021 — which directly competes for productive capacity with civilian industry. Even mainstream economists indicate: “Britain can have enough missiles or enough hospitals — but not enough of both at the same time.”

The current-account deficit of Britain during 2022–2025 amounted in total to approximately £300 billion. A significant part of this deficit is directly connected with military purchases abroad — above all of American weapons systems — and with expenditures upon military presence abroad including support for Ukraine. Characteristic is the accelerated construction of facilities for American military bases expanding their presence in Britain — this construction is directly connected with the preparation of British territory for the American military strategy in Europe.

The Atlantic Declaration economically prepared and consolidated the vassal position of Britain within the American strategic system. Instead of assisting economic recovery and reindustrialisation, this course became a principal factor in the deepening of structural dependence and stagnation. Instead of organising sovereign economic cooperation, it turned into a system of integrating the British economy into the American corporate orbit — while the course toward isolation from China and Russia turned against Britain itself, inflicting damage upon it in trade and energy. There can be no doubt that this course — if continued — is doomed to bankruptcy both political and economic. A policy founded upon the Atlantic Declaration and expanded NATO obligations has created for Britain the threat not of military but of economic national catastrophe.

The reactionary anti-popular programme of British finance capital carried out by the government of Starmer has deprived the country of the prospect of genuine economic advance and leads toward the systematic lowering of the people’s living standards. All the greater alarm is caused by the circumstance that an alternative to this programme in

the form of an organised political force in Britain, as of May 2026, does not exist. This is the principal political reality of the moment. It must neither be exaggerated nor concealed.

## WHO CONTROLS THE SCREEN

Approximately 200 million copies of newspapers are published weekly in Britain. Five financial groups control the overwhelming majority of circulation. The Daily Mail, The Times and the Daily Mirror are connected through interlocking directorates with the largest banks — HSBC, Barclays and Lloyds. Advertising from monopolies constitutes one fifth of all advertising revenues of the press. This description does not concern the present day. It is Britain in 1953.

Today the mechanism remains the same — only the carrier has changed. GB News is financed directly by donors of Reform. Christopher Rockliffe (£10+ million in donations to Reform) is a new press baron — only without a newspaper. Musk, through X, reaches more than 20 million British users and algorithmically promotes Farageist content — without an editorial office, without an editor-in-chief, without responsibility.

In 1953 from 70 to 80% of the films shown in Britain were produced in the United States. In 2026 the share of political video content of American or pro-American origin within British YouTube and X is approximately the same. The structure is the same. The screen is different.

There is only one difference: in 1953 this was called “influence.” Today it is called “freedom of speech.”

The ideological rent which the American Right derives from the British project — the geopolitical weakening of the European liberal flank — remains one of the principal strategic interests through which Bannon and his circle seek to expand their influence. Prominent British financiers and venture capitalists, speaking at closed meetings of the Reform donor circle, declared approximately the following: “We do not share the whole rhetoric of Farage, but we support Reform as the most suitable instrument for the deregulation of the financial sector and the reduction of the tax burden upon capital.”

## VI. Protest Without Organisation and the Task of Political Exit

The anti-national policy of subordinating Britain to American capital is provoking growing indignation — yet this indignation is without channel or direction. The British people are dissatisfied — with rising prices, the degradation of the NHS, the housing crisis — but possess no political instrument for expressing this dissatisfaction other than voting for Reform, which will only deepen that dissatisfaction.

The monopolists are conducting a broad offensive against the people's living standards under the banner of "budgetary responsibility." The real wages of approximately 60% of British workers remain below the level of 2021 after adjustment for inflation. The workers react — but react economically rather than politically. During 2022–2023 approximately 2.5 million workers participated in strikes — railwaymen, nurses, teachers, postal workers. This was the largest wave of labour conflicts since 1989 — approximately 4.5 million lost working days according to official data. The workers achieved partial increases in wages. But no more than that. This wave produced no political result — neither a new party, nor a new programme, nor a new leadership.

The trade unions proved incapable of converting economic protest into political force. The TUC is organisationally and financially tied to the Labourites who betray it. Unite under Sharon Graham issues sharp declarations — but no real political project stands behind them. The RMT under the leadership of Mann remains an isolated radical structure without access to a broad electorate. Trade-union bureaucracy as a whole is oriented toward the preservation of administrative positions — seats in consultative bodies, access to government — rather than toward political struggle. This constitutes the principal weakness of the British working class in 2026 — not the absence of dissatisfaction, but the absence of an organisation capable of directing that dissatisfaction.

The Left wing of Labour after the crushing of Corbynism is demoralised and marginal. Corbyn lost the party whip in 2020 — and together with it his organisational base. His independent speeches in Parliament bear the character of personal protest rather than political movement. The Greens are rising in the polls — but this is the party of the educated urban class rather than of the worker of Sunderland or the Midlands. Small Left parties — socialists, communists — exist within marginal niches without real electoral weight.

Into this political vacuum enters Farage — not because he is right, but because he alone speaks loudly and in comprehensible language concerning the betrayal of the elites. The worker of Sunderland whom the Labourites ignored for twenty years hears from Farage precisely what he wishes to hear — that his poverty is the result of betrayal rather than a structural problem requiring collective solution. This is the American project of Reform — not to defeat the working class by force, but to purchase its vote through emptiness. Bannon described this strategy directly: “find people whom the system has abandoned and give them an enemy.” Migrants and elites are appointed as the enemy — but not the American corporations controlling the NHS, not Palantir storing the data of British patients, not Thiel financing Reform itself.

The British people do not desire that Britain should be transformed into a digital colony of American technological capital — but they do not know for whom to vote in order to prevent this. Independent members of Parliament and isolated voices within Labour openly declare that military expenditure obstructs national recovery — yet these declarations remain voices in a vacuum without organisational base.

Ever broader masses in Britain are beginning to realise that both the Labourite and the Faragist path lead toward the same result — the deepening of dependence upon American capital and the lowering of living standards. But consciousness without organisation is only soil for demagogy. And it is precisely this soil which the project of Farage cultivates — the American lapdog in British harness.

British workers have repeatedly expressed dissatisfaction with the policy of involving the country in American military adventures. YouGov polls of 2025 demonstrate that approximately 58% of Britons oppose the further increase of military expenditure at the expense of the NHS and social spending. In the same year a poll showed that only 34% of Britons consider the trade agreement with the United States advantageous for Britain. A declaration signed by a number of local trade-union councils of Northern England in 2024 stated: “We are seriously concerned that our hospitals are collapsing, our children live in poor housing, our wages fail to keep pace with prices — and meanwhile we are being convinced that the principal problem is China and Russia rather than Palantir in the NHS and American corporations purchasing British assets.” These declarations, however, remained merely declarations — without political organisation standing behind them.

The working masses are dissatisfied with agreements drawing Britain into the American strategy. The voice of those who speak concerning the necessity of sovereign economic policy — independent members of Parliament, isolated trade-union leaders, rare academic economists — exists, but remains marginal. The working class of Sunderland, Scunthorpe and the Midlands hears this voice poorly — and hears loudly only Farage.

The workers of the North and the Midlands have more than once expressed the position that they do not wish to pay for American military interests with their hospitals and wages. The secretary of one of the local trade-union councils of Yorkshire, speaking at a rally against the closure of a local hospital, declared approximately the following: “Whatever decisions London and Washington may arrive at — if these decisions mean that our children cannot see a doctor — then the government will have to search for another working class willing silently to tolerate this.” Yet this statement remained local — without passage onto the national political level.

The attitude of the British people toward growing militarisation and Atlantic dependence is the attitude of people who perceive the problem but do not perceive the exit. Despite the absence of an organised movement against the government’s course, numerous local public initiatives — in defence of the NHS, against factory closures, against rising prices — exist throughout the country. But these initiatives are fragmented, local and deprived of an all-national political centre.

The May Day demonstrations of 2025 in London, Manchester and Glasgow gathered in total approximately 80 thousand persons — significantly fewer than might have been the case had a real organising force existed. The principal slogans were: defence of the NHS, growth of wages, affordable housing. Anti-American economic slogans — against Palantir, against the conditions of the trade agreement — were present, but did not dominate. No political subject capable of uniting this protest emerged.

The bankruptcy of the “Atlantic Declaration” reveals itself with particular clarity in the example of Britain. Instead of assisting economic recovery and reindustrialisation, this course became one of the principal factors in the deepening of structural dependence and stagnation. Instead of resolving the burning problem of the balance of payments and industrial decline, it led toward the further weakening of sterling and the loss of positions within the productive sector. Instead of organising sovereign economic cooperation, it transformed itself into a system of integrating the British economy into the American corporate orbit — while the

course toward isolation from China and Russia turned against Britain itself, inflicting damage upon it in trade and energy. The Atlantic Declaration aggravated economic rivalry between British and American capital, sharpened contradictions between Britain and the European Union and led toward the further weakening of the country's position upon the world arena.

The Atlantic Declaration economically prepared and consolidated the vassal position of Britain within the American strategic system. There can be no doubt that this course — if continued — is doomed to bankruptcy both political and economic. The policy founded upon the Atlantic Declaration and expanded NATO obligations created for Britain the threat not of military but of economic national catastrophe.

What stands before British society today — this is the principal question. An organised progressive force capable of leading the struggle against the anti-popular policy of monopolistic capital and its Faragist and Labourite order-clerks does not exist in Britain as of May 2026. This is the principal political reality of the moment. It must neither be exaggerated nor concealed.

What could indicate to the British people the road of exit — if one speaks of a real programme rather than wishful thinking? The programme of such an exit exists in general outline — it is articulated in scattered fashion by different voices. Reindustrialisation of the North and the Midlands through state investment rather than private capital. Genuine nationalisation of energy and water — not the rescue of loss-making assets at the expense of the taxpayer, but the transfer of profitable sectors under public control. Termination of the Palantir contract with the NHS and the return of data under state sovereignty. Sovereign trade policy — not automatic obedience to American sanctions lists, but independent evaluation of national interest. Housing construction financed through the taxation of land rent among the great landlords. Genuine growth of wages through the limitation of monopoly dividends.

But this programme exists without a subject. Therein lies the tragedy of the British working class in 2026. It perceives betrayal — from the Labourites and from the Tories alike. It hears Farage, who speaks more loudly than all concerning betrayal. And it votes for an American agent while believing that it votes against America.

The hard-headed British Right and their Labourite fellow-travellers seek exit from the crisis through an offensive against the living standards of the working masses, integration into the American corporate system and demagoguery concerning sovereignty. But this reactionary and

adventurist policy is capable only of deepening the crisis — accelerating the growth of dissatisfaction and creating conditions under which sooner or later a genuine organising force will emerge. When and in what form — that remains an open question. But the soil for it is being created by every day of this policy.