

DIVORCE BETWEEN TORIES AND INDUSTRY HAS ENCOURAGED BREXIT

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The reasons for the UK to remain in the EU have not changed for decades, with most of its trade in goods and services being conducted with European countries. The vast majority of capitalist enterprises in the sceptre isle believe that leaving the European Union is foolish. Brexit shows that the old alliance between the Conservative Party and Britain's industry is broken. The Tories, once the party of capital, have been drifting away from private enterprise but, even more importantly, national capitalism no longer exists in Britain.

In the century up to the First World War, the Ottoman was deemed to be “the sick man of Europe” an expression believed to have been coined by Tsar Nicolas the First of Russia. In the decade before Margaret Thatcher swept to power in 1979, the expression was often used to describe a United Kingdom wracked by strikes. Fast forward 30 years and the United Kingdom is again the sick man of Europe. The Brexit crisis could well destroy the UK as it has existed since the Act of Union agreed between England and Scotland in 1706-7. It lays bare Britain very diminished role in the world. A once proud nation is being humiliated by its own government.

Even before the referendum of 2016, debates about the European Union had a flavour of religion or ideology not found elsewhere in Western Europe. A number of Conservative party members and important conservative newspapers such as the Daily Mail and the Telegraph breathed fire when the subject of the EU came up. Loathing the French alternated with pretending that Germany was, through its EU “proxy” reducing the United Kingdom to the role of a vassal, something it had signally failed to achieve during the Second World War, were part of the raw meat such publications threw at their readers on a daily basis. The owners of these newspapers are, like other capitalists who support Brexit often very loosely tied to the kingdom’s economy. They are often foreign or tax residents abroad. Some own hedge funds, others such as Sir James Dyson no longer produce in the UK. These people fund the modern Conservative Party.

In sharp contrast, the Confederation of British Industry, the Financial Times, the massed ranks of farmers, industrialists and services are aghast and totally against Brexit. When a Conservative Prime Minister, Harold

McMillan first applied to join the then European Community in 1963 and his successor Edward Heath negotiated the UK's entry a decade later, it was taken for granted that joining was predicated on economic reasons. The reasons for the UK to remain in the EU have not changed today, most of its trade in goods and services being conducted with European countries. The vast majority of capitalist enterprises in the sceptre isle believe that Brexit is foolish, if not plain mad. Why have they not forced a change of policy on a party which has been theirs for centuries?

The answer is that it is no longer their party. The Tories have been drifting away from private enterprise but, even more importantly, national capitalism no longer exists in Britain. Most of Britain's largest companies have been sold to foreign interests who build nuclear power stations, cars, civil aircraft and run trains. Many of these were once nationalised industries. Back in the 1950s and 60s there was such a thing as national capitalism, which included state and privately owned companies. Great capitalists whose interests were both national and imperial sat as MPs in the House of Commons and peers in the House of Lords. The Conservatives were the party of capital, the Labour Party that of the organised labour. Some of the interwar prime ministers such as Stanley Baldwin owned private companies.

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Although captains of industry deserted the House of Commons after WWII, the national capitalism of the post 1945 period was protected by import controls and closely allied with an interventionist state that sought to promote the design and manufacture of British goods. The British state was strong and able to take the United Kingdom into the common market because it believed that such a policy was in the interests of the British people. Egged on by newspaper owners who owe no allegiance to the British state - indeed Rupert Murdoch seemed intent on destroying the reputation of every traditional British institution from the monarchy to Oxbridge, the Conservative party has been taken over by the hard right. Its erstwhile capitalist backers have vanished and, interestingly enough, the foreign owners of many British manufacturers, starting with the Japanese car manufacturing owners, are the ones begging the Conservative government not to pursue what they see as a deeply flawed policy. The party has however lost any organic connection with manufacturing, farming or banking, nationally or locally.

The British state was once widely admired, at home and abroad. The rule of law, habeas corpus, parliamentary control of the budget, wise management of state debt, promotion of innovation and modern capitalism owe much to a powerful state. Today the state is weak. It no longer has the capacity to understand where the strategic interests of the people it rules lie. It has been hollowed out, often privatised. The Foreign Office has been gutted, the country's foreign policy falling victim to ever greater delusions of grandeur, in the Middle East and in Europe. The level of education

in Britain is often very poor but its prestigious universities are superb - unaffordable for many natives. This once proud nation has become the laughing stock of the world, led by a prime minister as mendacious as he is inept. To threaten to withdraw security cooperation with Europe as Downing Street has done according to a confidential memo published by The Spectator has left the security services aghast. Even ministers have expressed their unease, and well they might.

Having inaugurated her reign with Sir Winston Churchill as prime minister, Queen Elisabeth II must be wondering how a once great and influential country has been reduced to a tawdry version of Monty Python.