

# UK Conservatives hit by “cash for access” scandal

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Prime Minister David Cameron published details of “significant” Conservative donors who have dined with him at his official residence between February 2011 and February 2012. The move came after Conservative co-treasurer Peter Cruddas was forced to resign on Sunday in a “cash-for-access” row.

A sting by the *Sunday Times* saw Cruddas filmed offering access to the prime minister in return for large donations.

In his short statement Monday, Cameron said he had three such dinners at his flat. The guests included oil executive Ian Taylor and Henry Angest, CEO at the private bank Arbuthnot Latham. Cameron claimed they were not fundraising dinners, and said he would publish regular details of such events. He denied that he had even met anyone introduced by Cruddas.

The *Sunday Times* journalists posed as wealth fund executives looking to donate to the Tory party. They used the service of Sarah Southern, a former aide to Cameron turned lobbyist, who advised them that a “huge donation” would get them access to leading government figures.

During the two-hour meeting, which was secretly filmed, Cruddas said a £250,000 donation would gain them “premier league” access to Cameron and Chancellor George Osborne.

“If you’re unhappy about something, we will listen to you and put it into the policy committee at No 10 [Downing Street]. We feed all feedback to the policy committee,” he continued.

When the reporters suggested their donations would come from Liechtenstein—illegal under British law—Cruddas reportedly offered to disguise the source by using registered UK citizens or a British company.

The government moved quickly to try and defuse the row. Within hours of the story appearing, Cruddas was out. In a statement he apologised for “any impression of impropriety” resulting from his “bluster”. “Clearly there

is no question of donors being able to influence policy or gain undue access to politicians,” he said.

Much of the media have expressed astonishment that the Tory Party should have promoted a “spiv” as co-Treasurer. Cruddas is advanced as a self-made man, rising from apparent disadvantage to establish the betting company CMC Markets. For years he lived in tax exile in Monaco. Writing in the *Guardian*, Simon Jenkins described him as “an accident waiting to happen”.

But Cruddas’ elevation was hardly an accident. He was the replacement for David Rowland, who was forced to resign in August 2010—barely two months after he was appointed. This followed allegations that after he took over Gulf Resources, which had been responsible for extensive pollution at its smelter plant in Idaho, he had “looted” tens of millions of dollars from the required clean-up operation and diverted it into his property deals.

Rowland was one of those named by Cameron as one of his recent dinner guests.

In fact, the Conservative Party website openly gives details of its eight “donor clubs” and setting out their advantages. For an annual membership of £50,000, a donor can enter the “premier supporter group”, “The Leader’s Group”, dining with Cameron and other leading figures at major events. A mere £25,000 will secure membership of the “Treasurers’ Group”.

The Cruddas revelations came just days after the government set out its annual budget, aimed unambiguously at the super-rich. While the top rate of tax was cut—benefiting just one percent of the population—the government hiked up taxes for the majority of working people and pensioners, outlined plans for “localised” public sector pay and announced further cuts in welfare benefits.

Commentators expressed alarm that the Cruddas scandal would seal the public perception of the government as one led by super-rich old-Etonians, bent solely on enriching

others like them.

That, however, is already a matter of record. What could prove more damaging is the confirmation of the degree to which government policy is determined directly by a handful of financial oligarchs, at the expense of working people—not only in Britain but internationally.

Little comment has been made as yet on Cameron's admission of dining with Taylor. But Taylor is president of Vitol oil group, which gained the first contract with Libya's National Transitional Council to supply fuel to the US-based Tesoro Corporation at the same time Britain, along with the US and France, was enforcing their policy of regime change against Muammar Gaddafi. In 2011, the government admitted that International Development Minister Alan Duncan, a multi-millionaire former consultant to Vitol, had participated in meetings with officials at Whitehall operating a "Libyan oil cell".

Such details, and many more, have come to light amid the larger scandal of "criminality on an industrial scale" involving Rupert Murdoch's News International—including phone-hacking and the bribery and corruption of leading public officials. Cameron is implicated as a close friend of former News International CEO Rebekah Brooks, who was rearrested for the second time earlier this month on suspicion of conspiring to pervert the course of justice. Andy Coulson, former editor at the now-closed *News of the World*, was Cameron's former communications director until he was forced to resign over the scandal in February 2011.

It is a sign of bitter factional infighting in the ruling elite that it was Murdoch's *Sunday Times* that published the scoop on Cruddas. Just to make it even clearer, within hours Murdoch made a series of tweets calling for "a full independent inquiry on both sides. In great detail, and with consequences. Trust must be established."

"Without trust, democracy, and order will go," Murdoch added. "Cameron should have just followed history and flogged some seats in the Lords, if they still have value! Precedents of centuries."

The BBC's Nick Robinson opined, "Hell hath no fury like a media mogul scorned", suggesting that it was payback for the government's decision to establish the Leveson Inquiry into press standards following the *News of the World* revelations.

In the last months, Murdoch has also come out stridently in favour of a referendum in Scotland on independence from the United Kingdom, with his newly launched *Sun on Sunday* unashamedly boosting Scottish National Party leader Alex Salmond against the

"Westminster" parties.

Whatever the exact nature of relations between the multi-billionaire crook and the coalition government, nothing of principle will come out of the latest revelations.

Already they are being used to press forward plans for the state funding of parties. Cross-party talks on funding have been brought forward to this week. Under discussion are plans to cap large individual donations to the official parties in return for public funding.

Sir Christopher Kelly, chairman of the Committee on Standards in Public Life, suggested this was the only way to "remove the suspicion surrounding very large donations". It would mean the Tories "giving up their advantage of having more wealthy supporters, for Labour, the relationship with the trade unions."

Writing in the *Independent* Mary Ann Sieghart suggested that the committee's proposals—which would work out at "50p per voter, per-year"—was the right way to go. Four-fifths of the public believe party donations are made in return for favours, Sieghart wrote, stating that such "cynicism is completely justified".

The combined membership of the three official parties "was seven times higher" in the 1960s than today, she continued. But "[T]he era of mass membership is over, and parties are never again going to be able to fund themselves through individual subscriptions."

While portrayed as a more transparent option, the proposal amounts to a demand for working people to finance moribund organisations, deeply hostile to their class interests, so as to perpetuate a thoroughly anti-democratic and socially reactionary political set-up.



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