

Panama Papers revelations intensify crisis of Cameron government in Britain

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Pressure on the UK Conservative government intensified Friday, after Prime Minister David Cameron finally admitted that he and his wife, Samantha, personally profited from his late father's offshore fund.

Among the 11.5 million records leaked in the "Panama Papers" was the fact that Ian Cameron was a director of Blairmore Holdings, a client of Mossack Fonseca, the fourth largest offshore law firm. The Panama Papers detail how Mossack Fonseca clients were able to launder money, dodge sanctions and avoid paying tax.

Blairmore Holdings was set up in 1982 and managed tens of millions of pounds on behalf of wealthy families, banks and celebrities. The company avoided paying any tax in Britain by being incorporated in Panama and formally conducting its business in the Bahamas. A Blairmore Holdings prospectus written in 2006, to attract rich "sophisticated" investors with at least \$100,000 to buy shares, was explicit that the fund sought to avoid UK income tax and corporation tax on profits.

Cameron's admission that he profited from his father's financial dealings had to be dragged out of him. Following the leak of the Panama Papers last Saturday, his spokeswoman insisted Monday that whether or not the Cameron family was still invested in the fund was "a private matter."

On Tuesday, Cameron was again asked and said, "I have no shares, no offshore trusts, no offshore funds, nothing like that." Later that day, Downing Street issued a statement declaring, "The prime minister, his wife and their children do not benefit from any offshore funds."

Another statement Wednesday declared, "There are no offshore funds/trusts which the prime minister, Mrs Cameron or their children *will benefit from in future.*"

[Emphasis added]

Finally, on Thursday evening, in his fifth version of events in four days, Cameron admitted having shares in his father's company and profiting from them. He told ITV News, "We owned 5,000 units in Blairmore Investment Trust, which we sold in January 2010." He said he owned the shares from 1997 to 2010, a period that covers all his years as an MP and as leader of the Conservative Party prior to becoming prime minister. When he finally sold the shares in 2010 for £31,500, some 13 years later, and the year his father died, he and his wife made a profit of £19,000.

On Wednesday, it emerged that Cameron personally intervened to prevent offshore trusts from being part of European Union-wide moves on tax avoidance. In 2013, Cameron wrote to Herman Van Rompuy, then president of the European council, demanding that trusts should not automatically be subject to the same transparency requirements as companies. EU legislation adopted in 2015 required a central register of the true owners of companies, but not trusts.

Newspapers involved in releasing the leaked documents have already started censoring their publication. Nine Tory MPs and peers are implicated so far, including leading figures Lord Michael Ashcroft, Baroness Pamela Sharples and former MP and Minister of State at the Northern Ireland Office, Michael Mates.

Two of Cameron's friends, both of whom donated to Cameron's campaign to be Tory leader, are also named—JCB manufacturing heir Lord Anthony Bamford and the Fleming family.

Bamford has donated more than £4 million to the Tories. The Flemings amassed a vast banking fortune and in 2000 sold merchant bank Flemings for \$7.7 billion. The family now deal in wealth management as Stonehage Fleming, registering at least 18 Mossack

Fonseca companies from its Liechtenstein office.

David Cameron and his wife personify the super-rich, privileged layer who lord it over society. As far back as 2009, their joint wealth was estimated at well in excess of £30 million.

The prime minister once said in private that he was “born with two silver spoons” in his mouth. His mother, Mary, descended from a wealthy MP who owned a mansion on a 660-acre estate in Berkshire. Ian Cameron’s family was in banking, and the prime minister’s paternal grandfather, Donald, left the then enormous sum of £1 million in his 1958 will. In 2007, the *Sunday Times Rich List* estimated Ian’s wealth at £10 million. When he died, his estate was valued at just £2.74 million, but this did not include his non-UK assets. He siphoned off an unknown amount of money to Jersey and had financial links to Switzerland.

In his ITV interview, the prime minister disclosed that he was left £300,000 in his father’s will. This was a rather convenient amount, as an estate valued below £325,000 is not subject to Inheritance Tax.

However, Cameron’s wealth is dwarfed by that of his wife, Samantha Gwendoline Sheffield, the daughter of 8th Baronet Sir Reginald Adrian Berkeley Sheffield, and Annabel Lucy Veronica Jones, the Viscountess Astor.

Samantha’s mother, Annabel, runs the furniture and interior retailer Oka. Her father owns an 18,736-acre estate on the remote Scottish island of Jura, held in an offshore company based in Nassau.

According to the *Daily Mail*, Sir Reginald Sheffield has a property portfolio worth upwards of £20 million that includes 3,000 acres of arable land. Properties he owns include a “£5 million stately home near York; a place in London; and the family seat in Lincolnshire, a Regency mansion called Normanby Hall.”

Normanby Estate Holdings alone are worth almost £2.2 million, with Samantha and her sister Emily owning a £77,000 stake in it.

Cameron’s wife was also a director of stationery firm Smythson, and when she cashed in on a reported 275 shares in 2005, received an estimated £400,000. Smythson is also located in a tax haven, via a holding company in Luxembourg and linked to a trust in the Channel Island of Guernsey.

The amount Cameron has made from his father’s shady dealings is slim pickings compared to what

awaits him and his cronies after leaving office. Former Labour Prime Minister Tony Blair has set the benchmark, accumulating personal wealth estimated at £100 million within a decade of standing down.

It is difficult to predict whether Cameron will survive or how far the crisis will reach in British ruling circles. Anger has mounted this week at the disclosures, with Cameron’s approval rating sinking to its lowest level since 2013. A YouGov survey published yesterday found that Labour Party leader Jeremy Corbyn is now ahead of Cameron on approval ratings, as the #resigncameron hashtag on Twitter trended all day.

Moreover, the crisis engulfing Cameron comes in the lead-up to the June 23 referendum on the UK’s continued membership of the EU. The Tories are deeply divided over the issue, with more than 100 Eurosceptic MPs out of a total of 250, and most of the party’s wider base opposed to the Remain camp led by Cameron—in turn reflecting deep divisions within ruling circles. This could precipitate a move against Cameron, but also serves to shield him from attack for fear that his downfall will benefit the anti-Euro wing of the Tories.

No one appears more determined to protect Cameron than Corbyn and his Shadow Chancellor John McDonnell.

The timidity of their statements are in inverse proportion to the escalating public anger. Indeed, many workers and young people will rightly be bemused that Corbyn refuses to even call a motion of no confidence in Cameron. Instead, he first described Cameron’s situation as a “private matter,” and only called for an investigation “to decide whether or not tax has been paid” on the shares. Asked if Cameron should resign, he replied, “Let’s take one thing at a time.” For his part McDonnell also stressed that Cameron’s evasions were “not a matter of resignation at the moment...”



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