

UK prime minister defends super-rich in statement on Panama Papers revelations

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Britain's prime minister, David Cameron, used his statement to parliament on the "Panama Papers" leak to mount a robust defence of the super-rich, while dispensing a few sops in the form of pledges to crack down on tax evasion and "aggressive tax avoidance."

Cameron's statement was occasioned by the disclosure that he had personally benefited from Blairmore Holdings, established by his late father, Ian. The offshore company, which managed investments on behalf of wealthy individuals and banks, is amongst more than 200,000 based in the tax haven of Panama and managed by the law firm Mossack Fonseca—the subject of the leak.

The papers lift the lid on just some of the extensive tax-avoidance measures taken by the super-rich and banks. Half of the offshore companies listed by Mossack Fonseca are registered in British-administered tax havens, placing the UK at the apex of a global network of corruption and parasitism that is estimated to involve some \$30 trillion in hidden personal wealth.

Enormous anger at the revelations meant that Cameron's initial insistence that it was a "private" matter could not wash. He was eventually forced to acknowledge that he had held shares in Blairmore, from which he derived £19,000, but argued he had given them up when he became prime minister.

Cameron subsequently faced allegations of avoiding Inheritance Tax duties (IHT), when he had received two "gifts" of £100,000 from his mother, one year after he inherited £300,000 from his father—just below the limit at which IHT becomes applicable.

In an effort to put an end to the scandal, Cameron told parliament that he had published his tax returns for the last six years—an "unprecedented" first for a serving prime minister. But while there was a "strong case for the Prime Minister and Leader of the Opposition and Chancellor and Shadow Chancellor", to make such disclosures, he opposed this being extended to all MPs.

In a clear threat to his critics, he warned that many individuals, businesses and organisations use offshore funds including, he said, the *Guardian*, the Trades Union Congress and Labour leader Jeremy Corbyn's local council, Islington.

Cameron rejected the "deeply hurtful and profoundly untrue allegations made against my father", claiming that Blairmore had been set up as a commercial entity to trade in dollar securities, and not to avoid taxes.

He was proud of his father, he insisted, who had done nothing wrong. People had the right to "make investments to support their families," he continued, with many parents wanting to help "their children when they buy their first car and get a deposit on their first home". Those who criticised such tax measures were the "enemies of aspiration".

Such comparisons are entirely bogus and self-serving. While the prime minister and his wife, Samantha, are multimillionaires, from families of wealthy landowners, stockbrokers and aristocrats, the vast majority of the UK population are too poor to make use of such tax plans. Their efforts to provide for their children involve real sacrifices, made even more onerous by vicious government-mandated austerity.

Cameron made his statement on the day that changes to the universal credit system—payments to top up low wages—came into effect. Tens of thousands of low-paid families will lose up to £200 a month as a result. They have no chance of helping their children, under conditions in which the younger generation has been especially targeted by government cuts. Nor do the millions subject to pay cuts and pay freezes, or the thousands facing job losses—as at Tata Steel.

Moreover, it is not only a matter of the benefits that Cameron has personally derived from such tax schemes. He leads a government that legislates on behalf of the super-rich and that has used government policy to

aggressively protect a wealthy minority at the expense of working people.

In 2013, Cameron wrote to the president of the European Council to oppose a central register of beneficial ownership of offshore trusts. This was at the same time he was insisting that Greece and other countries implement savage spending cuts that have reduced many to poverty.

Similarly, in the same budget that Osborne outlined the universal credit changes, he announced the IHT threshold would rise to £500,000 and up to £1 million for married couples and civil partners. Only 3 percent of the UK population are deemed wealthy enough to qualify for IHT.

Osborne's own tax summary for 2014/2015 revealed that he had earned £198,738 of taxable income last year, including £44,647 in dividends from Osborne & Little, the wallpaper firm co-founded by his father. According to reports, the company has not paid corporation tax for the last seven years.

Cameron's claim to be clamping down on tax evasion and avoidance are meaningless. The "information-sharing" measures proposed for British crown dependencies and overseas territories are voluntary. As for an official inquiry into any "wrongdoing" arising from the Panama Papers, it is to be overseen by Her Majesty's Revenue and Customs (HMRC). HMRC's executive chair, Edward Troup, was a partner at a top City law firm that acted for Blairmore Holdings and other offshore companies named in the Panama Papers.

It is to preserve this class set-up that Cameron's nominal opponents have closed ranks to fend off demands for his resignation.

Despite bitter divisions within the Conservative Party and ruling circles over the referendum on June 23 on British membership of the European Union (EU), all factions insist the prime minister has nothing to account for.

This includes London mayor Boris Johnson and UK Independence Party (UKIP) leader Nigel Farage, who are leading the campaign to exit the EU against Cameron. Farage especially rejected calls for MPs to publish their tax dealings. The former stockbroker said that he was "worried where we are going with this. ... It's a private thing."

Charles Moore, in the right-wing anti-EU *Telegraph* newspaper, empathised with the prime minister, writing, "You often hear of people being 'trapped in poverty', but it is also possible to be trapped in wealth. This is David Cameron's fate." The same newspaper denounced "class-

war rhetoric against successful companies and ambitious individuals".

Likewise, the *Daily Mail* argued that it had been a "critical friend" of the prime minister, and had attacked him for "dreadful mistakes", including "attempts to skew the EU referendum debate. ..."

But "this paper believes the lynch mob has run wildly out of control," it stated. "Enough of this madness. Instead of grovelling before the politics of envy mob", it said, the prime minister should be "shouting from the rooftops the moral case for low taxation."

There is indeed a class war, but it is one that has been led by the ruling elite against workers and youth over decades. Ian Cameron's setting up of investment funds in tax havens followed the decision of Tory prime minister Margaret Thatcher to abolish capital controls in 1979. It was part of a series of measures—including the smashing up of nationalised industries and the dismantling of the welfare state—aimed at benefiting the City of London and the super-rich. The result was rampant speculation, criminality and greed that triggered the 2008 financial crash, and that in turn has been used to deepen the offensive against working people.

The Labour Party and the trade union bureaucracy have played the key political role on behalf of the bourgeoisie throughout—sabotaging workers struggles and, under the Blair and Brown Labour governments, directly facilitating the nefarious activities of the financial oligarchy.

While in parliament, Labour leader Jeremy Corbyn attacked "six years of austerity" and raised further questions about Cameron's personal tax dealings, he studiously avoided calling for the prime minister to resign.

More fundamentally, none of the measures Corbyn proposed to "clean out tax havens" would alter the class injustices revealed by the Panama Papers. Breaking the stranglehold of the super-rich over economic life requires the development of a mass movement of working people against the capitalist profit system. But it is precisely this that Corbyn, and the party he heads, aims to prevent at all costs.



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