Billionaire former BHS boss faces down UK parliamentary committee

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20 June 2016

High street retailer BHS' former boss, the billionaire Sir Philip Green, gave "evidence" to the parliamentary pensions select committee last week.

Green was called to give an account of his period at the helm of BHS, his decision to sell the stores to such a dubious character as Dominic Chappell—a twice bankrupt former racing driver with no previous retail experience and his proposals—if any—to make good a huge pension fund deficit.

After starving the high street chain of investment, plundering its resources for the benefit of his wife, a Monaco resident, and other family-owned entities, and allowing the pension fund's surplus to become a massive deficit, Green sold the debt-ridden company in March 2015 to Retail Acquisitions Ltd. This financially dubious outfit was headed by Chappell, who was interested in acquiring—and selling—BHS' property portfolio.

As Chappell failed to deliver on his promises to inject capital into the business and continued Green's strategy of syphoning off a significant part of asset sales for his own benefit, the situation went from bad to worse. In April, with Green screaming for an immediate refund of his loan, BHS' new boss put the company into administration.

By this time, BHS' debts had risen to £1.1 billion, chief among them being the pension fund, with a deficit of nearly £600 million—and the taxpayers. Earlier this month, the administrators announced that they had been unable to find a buyer and the company's assets would be sold to pay off the creditors, the first being Green who has secured his loan to BHS against some its assets.

In contrast, 11,000 workers are set to lose their jobs and around 22,000 present and future retirees will see their pensions decimated.

Green's appearance in Parliament provided an object lesson in the real state of relations between Britain's corporate and political elites. The session demonstrated Parliament's craven subservience to the demands of the arrogant super-rich, who brook no fetters on their rapacious, venal and criminal exploitation of the working class.

Instead of accounting for the disaster that occurred at BHS on his watch, Green demonstrated his profound contempt for democracy, scrutiny and accountability. For six hours he interrupted, bullied, mocked, insulted and lied to the MPs, who for the most part grovelled before him. One had the impression this was something he had done many times before to anyone who queried his actions.

The billionaire's every word spoke to his outrage over their audacity to question him. At one point, he told them "that is not the right question to ask me" and on another, he demanded they rephrase the question. He not infrequently drowned out their questions as he talked over them with pre-formulated answers on his tablet computer. He told one of the MPs to stop staring at him as it was "really disturbing" and another not to bully him when the MP read out a letter contradicting Green's statement. When all else failed, he either resorted to the memory loss akin to someone suffering from Alzheimer's or adopted a tone of injured innocence.

The upshot was that Green was in no way responsible for the company's collapse. He had done nothing wrong. Everyone else was to blame: Chappell, his advisors, the pension trustees and Pensions Regulator. He could not be expected to know every detail of what went on in his vast empire, and so on.

This was all of a piece with an earlier report in the *Daily Mail* that one of Green's friends had said, "This is all bull***t." The friend added, "Frank Field [the Labour Party MP who chairs the Work and Pensions Committee and had called for Green to make good the pension fund deficit] is behaving like a complete a**hole, and Philip has no intention of appearing before his stupid committee."

Just the week prior to the parliamentary pensions committee summoning the billionaire to answer questions, Green demanded that Field resign from the inquiry, accusing him of seeking to destroy his reputation, refusing to attend unless he did so. This was a reference to Field's comments to the *Financial Times* that his committee "would just laugh at him" if Green offered less than £600 million to plug the hole in the pension fund.

However, what Field says in public and does in private are two different things. Media reports claimed he had made a deal with Green not to call Lady Christina Green to give evidence if he made an appearance. But Ian Wright, who chairs the business select committee which is carrying out a parallel inquiry, was not above some grandstanding of his own, saying that he had not signed up to that deal, and hinted that she could yet be called. This is so much hot air. As a resident of Monaco, she cannot be forced to answer MPs' questions.

In relation to the pension fund deficit, Green blamed the fund's trustees for "stupid, idiotic" mistakes, and the Pensions Regulator for moving too slowly, while refusing to say what he intended to do to remedy the deficit. He claimed that the Pensions Regulator had refused to engage with him over his proposal, possibly for a small contribution towards the government-backed Pension Protection Fund, but gave no details. The Pensions Regulator for his part denied that his office had refused to engage with Green and his advisers, saying it was still waiting for "details of a new proposal from Sir Philip."

Green's retail empire's assets are registered in his wife's name in Monaco to minimise UK corporation tax, already one of the lowest in Europe. Green dismissed questions about his offshore tax arrangements and his family's lifestyle, saying he had been told by his doctor, "envy and jealousy are two incurable diseases." He added he could have taken "much more aggressive routes to avoid tax", such as moving his groups' well-known brands—Dorothy Perkins, Miss Selfridge, Burtons and Topshop—offshore and gaining royalties on them.

While Britain's 13th richest family is able to avoid paying tax to the state, its profits are crucially dependent on a system of low wages promoted by the very same state. According to the OECD, Britain has the third most deregulated labour market in the developed world, while the state tops up low wages via the in-work benefit system of tax credits that cost, after recent cutbacks, around £30 billion a year. Nearly 40 percent of working households received more in benefits than they paid in tax in 2010, up from 28 percent in 1979.

In a revealing answer to a question about his decision to sell BHS to Chappell, the retail tycoon claimed he had been "duped" by Chappell, and blamed his chums and financial advisors, Goldman Sachs, for not vetting him properly. Neither Goldman Sachs nor Chappell's legal advisors Olswang, nor accountants Grant Thornton appear to have been paid for their services. Instead it appears they were being retained on a "contingency" basis akin to "no win, no fee," implying a major conflict of interest. Green alleged that Chappell's advisors were paid £8 million for the deal and helped Chappell to syphon off £7 million from the £32 million sales of BHS' London office.

Green's evidence gives the lie to right-wing politicians who claim, in an attempt to divide workers and deflect social tensions, that immigrants are to blame for undercutting workers, taking their jobs and are the cause of all social ills. This has been the basis of the filthy propaganda spewed out by the right-wing Leave campaign throughout the EU referendum campaign, and has been mirrored by Remain campaign.

As the looting of BHS demonstrates, just after the revelations about the anti-worker operations of another UK retail giant, Sports Direct, it is not immigrants but Britain's corporate elite and their political minions who are slashing workers' jobs, wages, working conditions and pensions, while at the same time gutting the social safety net by refusing to pay taxes.