Former UK Prime Minister David Cameron in Greensill lobbying scandal

Thomas Scripps
13 April 2021

Former Tory Prime Minister David Cameron has been exposed for using his personal and political connections to lobby the government on behalf of financial services company Greensill Capital.

Greensill went into administration in March after the German regulatory authority filed a complaint about suspected balance sheet manipulation and several insurance groups withdrew their cover. The company was heavily exposed financially to GFG Alliance, run by Sanjeev Gupta, which also faces collapse.

Cameron resigned as prime minister in 2016 and became an advisor for Greensill in 2018. According to an investigation by the *Sunday Times*, Cameron made repeated appeals to senior government ministers last year to secure access for the company to the Tory's COVID-19 corporate slush fund.

Just hours after the company was denied access to loans through the Covid Corporate Financing Facility (CCFF), Cameron e-mailed Prime Minister Boris Johnson's senior special adviser to demand the government reconsider. He wrote, "What we need is for [Chancellor] Rishi [Sunak] to have a good look at this and ask officials to find a way of making it work." He also sent multiple texts to Sunak's personal phone and called two junior Treasury ministers. Sunak sent a message back to Cameron explaining he had "pushed the team" to reconsider Greensill's proposals. After having originally given Greensill a firm "no", the department went on to have nine meetings with the company over a two-and-a-half-month period.

The Treasury ultimately still rejected Greensill for the CCFF scheme, but the company was allowed to lend out £400 million in taxpayer-backed loans under the Coronavirus Large Business Interruption Loan Scheme—all of it to a single steel empire, owned by Gupta, despite the maximum for any one group being £50 million.

As a result of Greensill's financial collapse, thousands of jobs are under threat in Britain, France and Australia if companies owned by Gupta, once touted as the "saviour of steel," are forced into administration and possibly wound up.

Cameron held tens of millions of pounds worth of Greensill share options, reportedly telling friends he was set to earn as much as £60 million personally—taking him into the super-rich territory of former Labour Prime minister Tony Blair, who has raked in between £30 and £50 million since leaving office in 2007.

Cameron had been able to peddle his political connections for the company before. In 2019, again according to the *Times*, Cameron arranged for a "private drink" between himself, Greensill founder and billionaire Lex Greensill and Health Secretary Matt Hancock to discuss a new payment scheme for the National Health Service (NHS). That meeting led—via Lord Prior, the chairman of NHS England and a minister under Cameron—to Greensill securing a contract with NHS Shared Business Services, managing the payroll for 400,000 NHS workers, all achieved without any competitive tendering process or transparency.

The payroll service, provided by Greensill subsidiary Earnd, allowed workers to receive their salaries daily or weekly, with money provided by Greensill, which would later be recouped from the NHS. Two senior former employees told the *Times* that the plan was to monetise the NHS's future payments by turning them into bonds and selling them internationally. Earnd was planning to roll the system out to other NHS trusts until the company filed for administration last month.

A similar early payment scheme, also run by Greensill, had already been established for pharmacies. The policy was developed by none other than Lex Greensill himself while working as an advisor to David Cameron when he was prime minister—a position he gained in 2012.

Also in 2019, Cameron attended a genomics conference on behalf of American private healthcare company Illumina, for which he is a paid adviser. Hancock was among the attendees. Shortly afterwards, Illumina was awarded a £123 million contract with the Department of Health. While prime minister, Cameron had announced a £78 million deal between Genomics England and Illumina. He then joined the company as a consultant and chairman of its international advisory board in 2017.

The scandal over Cameron's use of his political connections has lifted the rock on the sordid world of corporate lobbying and sent the UK's political elite scrambling for cover.

After keeping silent on the issue for weeks, Cameron delivered a 1,800-word statement to Associated Press on Saturday. Insisting he had broken "no codes of conduct and no

© World Socialist Web Site

government rules," and that it was "right" for him to contact the government on behalf of Greensill. He said, "There are important lessons to be learned. As a former prime minister, I accept that communications with government need to be done through only the most formal of channels, so there can be no room for misinterpretation."

Labour shadow minister Rachel Reeves said the Greensill scandal was "just the tip of the iceberg in Conservative cronyism, which has been endemic during the pandemic and long before". But all Labour proposes is a vote by MPs Wednesday for a parliamentary inquiry into lobbying.

In an attempt to stem a crisis that reaches into the heart of government, Prime Minister Boris Johnson ordered a formal inquiry which will examine "issues of supply chain finance and the role Greensill played" and "the way contracts were secured".

However, Johnson was careful to ensure that the inquiry will have no legal powers. Its toothlessness was confirmed by Cameron, who announced he would "be glad to take part". According to the *Guardian*, the man chosen to lead the investigation, Nigel Boardman, was a partner at law firm Slaughter and May in 2013 when it opposed, ironically, a few tame lobbying reforms Cameron had proposed. It argued that the measures "may have the effect of stifling productive, even essential, dialogue between legislators and those who consider the implications and practicalities of relevant legislation on a day-to-day basis."

As for the sudden widespread outrage over lobbying, the type of grubby wheeling and dealing exposed in the Cameron/Greensill affair is the most open secret in bourgeois politics. Cameron himself warned in 2010 after the MPs expenses scandal —in a doubtless much-rued piece of political posturing—that "the far-too-cosy relationship between politics, government, business and money" was "the next big scandal waiting to happen".

He was one to know. According to the *i* newspaper, at least 66 members of Cameron's 2010-2015 government have since taken up private sector jobs with links to their former government portfolio within two years of stepping down.

Most prominent among them is former Chancellor George Osborne, who became an adviser to asset manager BlackRock while still an MP, being paid £650,000 a year for four days a month work. He was also paid £800,000 for 12 speeches, mainly to financial firms, before leaving parliament and is reported to have received £500,000 a year in speaking fees since. After standing down as an MP in April 2017, Osborne became the editor of the *London Evening Standard*, paid £200,000 a year for a four-day week. He recently gave up his BlackRock and *Evening Standard* positions to work for boutique investment banker Robey Warshaw. He will keep his position as chair of investment firm Exor's advisory committee.

Another former Tory chancellor, Philip Hammond, has notified the appointments watchdog of 13 different jobs or consultancy positions in less than two years. These include roles as a partner at fund manager Buckthorn, senior adviser at bank OakNorth and non-executive director at packaging company Ardagh Group.

Sajid Javid, a former chancellor under Johnson for less than a year, was appointed as a senior adviser to bank JP Morgan, receiving £150,000 a year, almost as soon as he left office.

To the extent that "lobbying" refers to a process of one party seeking to influence another separate party for financial gain, the term is somewhat outdated. The sated social layers staffing the government and the upper echelons of big business are one and the same, moving seamlessly between government offices and corporate boardrooms.

Cameron entered government with an estimated personal wealth of around £3 million, Osborne around £4 million and Hammond £9 million. Javid was reportedly earning £3 million a year at Deutsche Bank before he moved into politics and owns multimillion-pound homes in Fulham and Chelsea.

Johnson, who is used to such levels of wealth, was described as "miserable" by close friends last year, due to being forced to live on a measly salary of £150,000 as prime minister. The current chancellor, Sunak, understood to be the richest MP in the House of Commons, is married to the daughter of an Indian multi-billionaire. Her fortune is estimated to be higher than the Queen's. This is government of, by and for a super-rich oligarchy, dedicated to preserving the immense fortunes of a parasitic elite.

The Cameron/Greensill scandal exposes the real class relations in a country run by and for the financial oligarchy. Cameron and his ilk expect and receive the best access to the highest levels of government where they issue their demands on behalf of big business. Cameron will be treated with kid gloves and at most might face a slap on the wrist. In sharp contrast, the government is cracking down and illegalising any form of protest by the working class and is impervious to all demands to protect jobs, health and education and services.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site