

The Sunday Times "Rich List"-Britain's wealthiest 1,000

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Ernest Hemingway famously responded to F. Scott Fitzgerald's assertion that "The rich are different" with the retort, "Yes, they've got more money". The annual *Sunday Times* "Rich List" reminds us just how different the rich are, and how much more different they are becoming.

The *Sunday Times*, owned by media mogul Rupert Murdoch, has published its annual rich list for the past 12 years. It catalogues the 1,000 wealthiest people in Britain, the richest Britons living abroad and the richest people in the world. Individuals must be worth more than £35 million to gain a place among the UK's top 1,000. The figures are estimates, with few of those on the list willing to confirm details of their jealously guarded fortunes.

Microsoft billionaire Bill Gates, who had topped the world list for the past three years, has been superseded as the planet's richest man by tycoon Robson Walton, owner of the Wal-Mart and Asda supermarket chains. Walton has amassed a fortune worth £45.3 billion. Gates' fall from the top spot is attributed to the collapse of the technology bubble on the NASDAQ and other hi-tech stock markets, which has hit Microsoft's share values hard. However, Gates will not be darning his own socks just yet; his personal wealth fell from £53 to £37.5 billion, according to the *Sunday Times*.

Last year, the rich list contained 63 dot.com millionaires, led by the investor Kevin Leech who saw his fortune rise by £800 million to £1.2 billion in a little over four months. This year there are 26 Internet millionaires, and few are remotely near the top of the list. Leech has turned out to be only a paper billionaire, and he fails to even make the list this year.

The rise of the dot.com multimillionaires now appears a somewhat distant phenomenon. Irrational exuberance has quickly been replaced by falling world

share prices and a rush back to the old blue-chip companies, some of which were so unpopular at the height of the dot.com bubble that they were pushed off the prestigious FTSE 100 index. One such prominent dot.com casualty is Mike Lynch, whose fortune has tumbled by more than £400 million, and whose Internet software company Autonomy is no longer listed on the FTSE 100.

The richest 1,000 British people or families have fared quite well through the recent market instability, their total wealth rising to £157,692 billion. This is almost £12 billion more than last year, though it represents a rise of just 8 percent, one of the smallest increases in the last 12 years. The number of British billionaires has fallen to 22, from 26 last year.

However, the British aristocracy continues to prosper. The richest man in Britain is the Duke of Westminster, whose £4.4 billion fortune largely accrues from property in central London, he owns 300 acres of the most exclusive real estate in Mayfair and Belgravia. Demand for such addresses by the super rich shows no sign of receding. The Duke moves up from second place, overtaking Hans Rausing, owner of a food packaging business, who had been top of the list for the last two years. Steep rises in the property market, particularly in London, have pushed the Duke's fortune up by almost £1 billion last year.

The Queen could blow out the candles on her 75th birthday cake last weekend, content in the knowledge that her fortune has risen by £25million this year to £300 million—pushing her up one place on the list to 105th. Even Her Majesty was not immune from dot.com mania, with investments in two small Internet ventures, both of which have proved disastrous. But the bulk of her investment income still derives from the relative safety of blue-chip companies.

From the world of corporate sport, Formula One motor racing chief (and sometime donor to New Labour), Bernie Ecclestone has increased his wealth by 50 percent. He moves up from sixth to third place with a fortune worth £3 billion. In fourth place, with £2.9 billion, is supermarket chain owner Lord Sainsbury, who is also a Labour cabinet member. Joseph Lewis's financial and investment interests, worth £2.2 billion, move him up one place to fifth. The Bahamas-based Lewis tops the list of richest Britons living abroad. Last year he paid £1.4 million for the dubious privilege of being thrashed at a round of golf by the world's number one player Tiger Woods.

Like Wal-Mart tycoon Robson Walton, the richest businessmen in Europe also amassed their wealth through the supermarket sector. Karl and Theo Albrecht, founders of German chain Aldi, are worth £13.3 billion, putting them in joint ninth place in the top 10 richest people in the world.

The *Sunday Times* survey, compiled by wealth expert Philip Beresford, shows a marked drop in the ranks for those with purely inherited wealth, and marks continued rise of the *nouveaux riches*. One quarter of those on the list—241 out of 1,000—inherited their fortunes, the smallest proportion since the first list was compiled in 1989, when about 70 percent of the 200 entries recorded then had inherited wealth.

The rise of the newly rich is due largely to the radical deregulation of the financial markets, concomitant with economic globalisation over the past 20 years. It is no accident that there are 10 Goldman Sachs employees on the list. This is the largest number ever recorded for one company and makes the investment bank's office in Fleet Street the single biggest concentration of multi-millionaire wealth in Europe.

To gain a place on the first Rich List in 1989 required a fortune of £30 million; twelve years later it takes £165 million. Over the last 12 years, apart from the early 1990s recession, the rich have truly filled their boots. Research group Datamonitor calculated there were nearly 80,000 British millionaires in 1999.

Even with the current market volatility, many of the super-rich have not been too badly affected, withdrawing from the stock market over the last year and holding a larger proportion of their money on deposit. Alternately many have bought up commercial properties, providing not only a reasonable income but

also the chance of decent capital gains.



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