

Britain: Sunday Times “Rich List” celebrates unprecedented wealth accumulation

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The publication of this year’s annual *Sunday Times* “Rich List” records the enormous enrichment of a tiny layer at the very apex of British society. The rich are now so much wealthier than ever before that the *Times* raised the threshold for entry to the list by a further £10 million since 2005, to a record £60 million.

Back in 1989, when the newspaper began documenting the fortunes of the wealthy, £60 million guaranteed a place in the top 100. Today ten times that amount is required to achieve a similar placing.

Under the celebratory headline “Wealth scales new peaks,” *Times* journalist Philip Beresford explained that Britain’s super-rich “are on a roll” and that, for them, “Life just gets better and better.”

The combined wealth of Britain’s top 1,000 individuals now amounts to an incredible £300 billion. This represents a 20.6 percent increase over last year and one of the highest increases since the list began. Fuelled by a rising stock market, an over-inflated property price bubble, corporate takeovers and City bonuses, the already super-rich have enjoyed a bumper harvest over the last year.

The New Labour government of Prime Minister Tony Blair has played a key role in ensuring this bonanza. In 1997, the wealth of the top 1,000 stood just short of £100 billion. In the meantime it has tripled. Beresford himself noted that, “The rich have got much richer under Labour than they ever did in percentage terms under a Tory government.”

He continued, “The rich have little to worry about from new Labour making life uncomfortable. Recent revelations about party loans and rich donors show that relations between the Blair government and the rich are among the cosiest on record.

“And given the importance of the overseas billionaires in propping up luxury London and the

southeast, don’t expect any government tax crackdown on them.”

For two years running the same individuals have led the list in first and second place. The Indian-born steel baron Lakshmi Mittal is the richest person living in Britain, with wealth of almost £15 billion. Mittal ranks at number three in the world’s richest people. Second place is the Russian-born oligarch Roman Abramovich with almost £11 billion.

Mittal’s wealth is indicative of wider tendencies associated with the globalisation of capitalist commodity production. Like many of the 106 industrialists on the list, he owns no production facilities within the UK. An exception is James Ratcliffe, who made his money buying up mothballed and prematurely retired chemical production facilities on the cheap.

Behind Mittal and Abramovich are a record number of 54 billionaires, up from 40 in last year’s list. The vast majority are not involved in genuine wealth creation as such, merely the transfer of existing wealth away from the mass of society into their own pockets.

The parasitic character of wealth accumulation today is epitomised by the growth of hedge fund billionaires. Some 43 on the list are described as “hedge fund stars” out of a total of 152 individuals involved in financial services.

The rise of internet gambling and especially poker sites floated on the London stock exchange has furnished the pockets of new entries into the list. Co-founders of Part Gaming Russell De Leon and his wife Ruth Parasol have accumulated at least £2 billion out of gambling. The Blair government recently gave permission for the building of a series of so-called Super Casinos in the UK. Academic research demonstrates how the profits of such establishments

will be made from the exponential rise in gambling addiction amongst those least able to finance such pursuits.

The British property market also continues to provide major investment opportunities. Up from last years 198, 211 on the list derive their wealth from land ownership and/or property. The geographical concentration of the super-wealthy continues, with the number of multimillionaires residing in Britain's south-east, particularly London, amounting to at least 52 percent of the 1,000 richest individuals. This is the highest figure the *Sunday Times* has recorded.

Contemporary residential mobility patterns in London's most expensive districts offer an insight into the unprecedented amounts of money at work.

The head of the London-based residential sales for elite estate agents Knight Frank, Dick Ford, told the *Guardian* that ten years ago the palatial early Victorian villas in Kensington Palace Gardens were considered too expensive to sell.

"Only an embassy or some kind of institution would take them. Now everybody wants them as private houses," he said.

Four super-rich billionaires, including Mittal, own private residences on the street. Mittal paid just over £57 million for the KPG address in 2004. The previous owner was Baron de Reuter, founder of Reuters news agency.

Another favourite London residence for the world's super-rich is Bishops Avenue in East Finchley. A modest five bedroom house costs £3 million, but Toprak Mansion with 28,000 sq ft, known as Top Whack Mansion by estate agents, is on the market for £50 million. Mittal also owns a property called Summer Palace right next door. Neighbours include pornography magnet and owner of the tabloid *Express* newspaper Richard Desmond, who owns two properties on the street.

A significant and growing international contingent amongst the super-rich are attracted to Britain by lax taxation rules. The non-domiciled tax rule allows the super-rich to avoid paying any tax to the British treasury on wealth extracted overseas.

David Harvey of the Society of Trust and Estate Practitioners, a London-based association of tax lawyers and financial advisers to the super-rich, cannot speak highly enough of London. "If you're looking to

avoid tax legally, you're as well going to London as anything else."

Seb Dovey of London-based wealth management consultancy Scorpio Partnership said that while London could not yet compare with Switzerland as a banking centre, it does rank above any other European city. "If you're an emerging rich person or multi-billionaire," he explained, "London is the place to be. Those from the Middle East and India would use Switzerland as a bank deposit location, and their active money in play would be managed out of London."

Another study of the spending habits of Britain's super-wealthy by Tulip Financial Research estimates that the thousand richest individuals in Britain have enjoyed a 79 percent increase in liquid assets over the last five years.

In contrast, 30 percent of the population have zero liquid assets. Millions of working people and their families live a hand-to-mouth existence and are increasingly reliant upon credit, loaned at extortionate interest rates, just to keep debt collectors from their door.



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