

# **The Hidden Wealth of the English Elite and the Role of War, Taxes and New Wealth in the "Great Equalization"**

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After World War I, the relative wealth of the very richest sharply declined. This paper uses the complete wealth-at-death distribution for England, 1892-1992 to estimate the importance of wartime destruction, the return on capital, the rise of popular wealth, and taxes to this 'Great Equalization'. The results show that war and taxes did not serve to equalize the wealth distribution. New wealth, driven by economic growth, alone, was responsible for the decline of the elite wealth share. Using rare surnames, I estimate a lower-bound for the amount of hidden inherited wealth of the elite English: I compare estimated wealth calculated using the net-rate-of-return on capital on observed dynastic capital during the low-tax prewar years with that later actually observed in the high-tax post war era. It is clear that at least 22% of all elite wealth is hidden. This amount, and the proportion hidden, strongly predict appearance and frequency of a surname in the recent Offshore Banking Leaks.