

# 4.4 Pct. Form Affluent Elite

## Economist Suggests Sharing the Wealth 'a Little'

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At the very top of the American wealth pyramid is an affluent elite — only 4.4 per cent of the population — which owns a great deal of what is worth owning in this country.

The people up there own 60 per cent of all corporate stocks. They hold virtually all of the corporate bonds and foreign bonds. They own 77 per cent of state and local bonds and 71 per cent of all federal bonds, except savings bonds.

On top of that, they have a third of the nation's personal cash, a fourth of the real estate, and 40 per cent of non-corporate business assets.

These glimpses of who owns what and how much emerge from an unusual

new study by an economist who wants to see the wealth shared a little more evenly.

"I'm not saying there should be a perfectly equal distribution," says James D. Smith of Pennsylvania State University. "But there should be more evenness in the distribution. What I guess I want to do is even out a person's 'life-chances,' — his chances of accumulating some of the good things.

"I don't have any trouble with a person accumulating some wealth during his lifetime, but I do have trouble with the way a relatively few people are able to accumulate an awful lot and pass it on. I have trouble with the transmission of wealth."

Smith's new study of the concentration of wealth was the focal point this weekend

of scholars and assorted citizens who share a common concern that too few are getting too much. It was sponsored by the People's Policy Center, a new non-profit organization devoted to examining the distribution of income, wealth and power. Its president is Fred R. Harris, the former senator from Oklahoma.

Smith called the top 4.4 per cent the "super-rich," but acknowledges the label may be misleading. It includes everyone with a net worth of more than \$60,000, a bracket which embraces far more people than the multimillionaire coupon-clippers. It could include a lot of people who just made a good buy on their homes in a rising market.

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Still, he observed, more than 95 per cent of Americans don't fit that category.

"Our perceptions of wealth in this country are misleading," he said in an interview at the Sheraton Carlton, one of Washington's plush hotels. "We eat well and we stay in these nice hotels and we forget that most Americans don't live that way at all. I don't

want to destroy these things — I just want to bring more people in on them." More than half of Americans, he said, would end up with less than \$3,000 if they sold all their possessions and paid off all their debts.

Smith conducted his study after he succeeded in obtaining the Internal Revenue's computer data tapes on federal estate tax returns in 1969. The returns must be filed for all deceased persons who left estates valued at more than \$60,000.

He is now comparing the results with a pioneering study of concentrated wealth for the year 1953, conducted by a Wisconsin economist, Robert Lampman.

Contrary to what many reformers contend, Smith's preliminary findings indicate that in the past two decades there has been no great change in the degree of concentration. There even has been a significant dispersion of the ownership of corporate stocks, he believes, although it may be due merely to the affluent investor's wariness of common stocks in the past five years.

But even now, Smith pointed out, the top 4.4 per cent own 60 per cent of all corporate stocks. It can be said that for practical purposes they controlled all corporate assets," he said.

### Net Worth Tax

The cure for concentration, according to Smith and other speakers at the conference, is a net worth tax. He favors a graduated rate levied annually, with exemp-

This tells why Nixon is against tiny increases in the minimum wage for the nation's working poor, calling it "inflationary"; why he is against improved medical services, facilities and benefits; why he cut subsidy of school lunches for children who then did not have them, their parents not being able to afford them; why he was for fantastic subsidies for the riches in industry and for cost overruns on government contracts while axing those who exposed supercollasal graft: in the interest of the small percentage who support he required for the fixing of an authoritarianism on the land.