



Who Owns the World

Manifesto Challenge: Fostering Resilient Communities

Speakers **Kevin Cahill**
Author and journalist

Chaired by; **Captain Robin Tatam RN**
Chairman, RSA South West Regional Committee

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NB

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Paul Crake; Good evening, I'm Paul Crake the RSA's Programme Director, it's my pleasure to welcome you to the Great Room on this warm June evening. This evening's lecture I think is going to be fascinating; it's by a man who is an old friend of the RSA and is on a topic which never ceases to raise controversy so I'm looking forward to it immensely. Our Chair for this evening is Robin Tatam. Robin's a former Royal Navy officer. He started in submarines and ended as Director of Facilities for the Royal Naval Engineering College. After some time at a post in Oman and a career in the private sector Robin seems to me to be a living example of a well-rounded RSA Fellow. He's Chairman of the Plymouth Maritime Festival and the Barbican Theatre and for our purposes this evening he's also Chairman of the RSA South West Region. Will you please join me in formally welcoming both our Speaker, Kevin Cahill and our Chairman, Robin Tatam.

Captain Robin Tatam; Good evening Fellows, guests, one and all. My title this evening of Captain must be more to do with driving yachts in the Caribbean rather than my time in submarines I have to confess. Both I think may have seen piratical roles but I regret to say neither achieved the same following as Johnny Depp for me I'm afraid. Pirates, they may be creative and radical. These are the root qualities of our Fellowship for me and tonight we have a speaker who is definitely both. Following an army career with operatic interludes he became an IT anorak of renown, forgive me Kevin, then perhaps the ultimate pirate, a journalist. This led him to some strong political associations and thus to authorship and with considerable research followed his passion for issues to create wider awareness. He's tackled robustly tonight's topic "Who Owns the World?". I'm sure you'll find him well informed, keen to whet your appetite to know more and almost certainly provocative. I ask you to welcome tonight's speaker Kevin Cahill.

Kevin Cahill: Thank you Robin. My lords, ladies and gentleman there's a danger with a lecture like this that I will churn out too many facts so I hope Robin will slow me down

if I'm reeling out the facts. The danger of the facts is that I used to think I knew the world fairly well. I've got an A Level in geography and during the eighties I used to go around it three times a year. When I started this book I found out that my ignorance had no limit but let me just start anyway with basic things. This book has two extremely simple subjects; the race and the land it lives on. Very simple, small, minor topics. Now what mediates the two is ownership and this is crucial. At this very early stage I'd ask you to think why we do we know so little about who owns the land of the planet because we know very little. At least having researched and done the book, as I say, I had no idea of how ignorant I actually was so let me start with a few facts.

The earth is 36,900 million acres of land, that's a lot of land. Now I'm using acres not because I don't believe in metric measure but I have very seldom met anyone who knows what a hectare actually is but everybody in the world, in the middle of the World Cup, knows exactly what an acre is, it's about the size of a football pitch so it's very easy to conceive what an acre is, that's what is, it's about a football pitch. Now all of us here because I suppose most of us read the newspapers every day think we live on a small, crowded planet; that is the biggest load of rubbish conceivable. The planet is 36,900 million acres there's only 6½ billion people on it; that's 5.6 acres for each person on the planet. Now most people won't be able to kind of figure what's 5.6 acres per person. Right, let me do a flip with you. Can I ask how many people know how big Britain is? Let's start with our own country. Now in the usual way you've got multiple choices and one of these answers is ridiculous, okay? The usual thing, but can I see hands for 60 million acres? Anyone chance 100 million? Anyone go for the ridiculous one 486 million acres? That's the right answer. The legal United Kingdom with its territories is 486 million acres. All right it was a trick question, sorry, and this was the first thing, I mean I wrote a book called "Who Owns Britain?" and I forgot about the rest, the rest of our

territory and it's quite real so the United Kingdom legally is 486 million acres. We still have more colonies than any country on earth, we've got sixteen. The nearest one to us is the United States with thirteen and four of those are rocks in the middle of the Pacific. Now let's go back to planet earth and how are people distributed. The population of the planet this year splits in two; 3½ billion live in urban areas and 3½ billion live in rural areas, what else? But people living in urban areas live about ten to an acre so there are a very, very large number of people in a very, very small area of the planet. So if you look at the figures all of the urban population of the earth is in about 350 million acres. There's about 20 billion habitable acres with virtually nobody in them.

Now in the blurb I promised I would tell you the story of land ownership through history in a single sentence and I will. I've surveyed with the help of a wonderful, wonderful book called "The Story of Land" written by a professor in America and when I read the book I rung up, you know, to say could I use it and his wife answered the phone and I said "Could I talk to Professor Powelson?" and she said "Oh he's down teaching class" and I said "How is Professor Jack?" and she said "He's 86 years old today" and he teaches class every day in Boulder, Colorado. But Jack did this survey before the collapse of the Soviet Union so it was slanted a bit but in one sentence for the whole of history all the land of the planet has been owned by 1% or less of the planet's population. The other 99% have never owned anything and that has consequences. So there it is, for the 10,000 years of recorded history from 8000 BC in Mesopotamia 'til approximately 1900 1% was about all who owned anything and the other 99% nothing. Now around 1900 and may I vary that date because when did home ownership start? Was it in America in 1776 or in Europe around 1900? You can't put a fine date on it but around 1900 home ownership started in places like the United Kingdom. By 1911 10% of homes in the United Kingdom were privately owned. But don't forget the other figure which people don't talk about,

90% weren't. Now currently 70% of all domestic dwellings in the United Kingdom are privately held because we've got something to come to. Sorry what I was trying to get at, the change is dramatic. From 1% constant for 9,800 years that we know of 1% own everything, 99% own nothing. Now there's a difference; 15% of the planetary population have a stake in land. Now there's something else as well, 15% of the planetary population is prosperous, the same 15%. There's a total lock. Those who have homes are prosperous. Those who haven't got homes are poor and in fact that leads us to what I discovered when I was researching the book. There's an absolute connection between poverty and landlessness and there's an equally absolute connection between having some land and prosperity. So although the book is more about telling people about new data there is a thesis because it's unavoidable. The way to solve poverty and the proof, most of you here I think would probably prove it, is a small piece of land called a home.

Now historically who were the owners? Who were this 1% and here's a little graphic; kings, queens, aristocrats and religions, these are the typical owners throughout history. Now can I ask how many people here, just to break it a moment, own their home? Good evening serfs. Do most of you realise that your freehold is actually a feudal tenure? There's only one landowner in the United Kingdom, there's only one legal landowner and that's the Queen. The site on which your house stands does not belong to you, it belongs to the Queen; you are a tenant and, you know, it's feasible here, it's worked out okay but in a lot of the world being a tenant means being poor.

Now just to give you, this is the modern earth, 2006. We're in United Kingdom, are a very advanced democracy, and the freeholders here are feudal tenants. Right, when I started the book I thought we had left monarchical government behind, that kind of thing. Well everybody keeps saying there are 193 countries in the world, well

I've got 196. I don't know where I found the other three and I'm not quite sure which ones they are but there's 196 countries and 61 territories or colonies. Now of those there are 29 countries are monarchies but 41 countries are ruled by some form of monarch. Now we all say constitutional monarchy but I hope I've alerted you that it's not that simple. We are a constitutional monarchy except the sovereign owns all land. Now it was very easy to begin to identify the big landowners; you can work it out. Lots of these monarchs don't only rule their countries they own all the land as well. Now eventually and this is where I start getting you to who are the big landowners. The main big landowners on planet earth are states and monarchs and the form of land ownership is the same as we've got here, it's feudal so I'll give you a rough ranking. The largest feudal state on earth is still Russia. The Russian state claims all land. They haven't got freehold you've got long or indeterminate leases. The next largest land owner on earth is the Chinese state; it's got, what, 2.2 billion acres. The third largest landowner on earth is the federal government of the United States. It owns 730 million acres of America but it does not own the land of America. The federal governments holding is on a par with any other landowner, no special rights go to it as a landowner. It's got powers as a state but as a landowner, no it doesn't have feudal powers and so on. Now the monarchs then arrive and the first and largest is Saudi Arabia. As a direct monarchy the King of Saudi Arabia claims absolute rule and absolute ownership of 588 million acres so it's considerably bigger than the United Kingdom. You then go down thorough Thailand, the United Kingdom and so on and that's roughly the ranking. I can't take you any closer, my publisher is here so if I start telling you the other ones are I'll be shot.

Right, citizens nor serfs. You've got a clue why I can put it like that. Is there anyone here from the Irish Republic, apart from me? Right. The independence struggle in the Republic was enormously about land which I will come to eventually but everybody in the... the land ownership in the Republic is higher

than anywhere else probably in the world because the population in the Republic had a lot of farmers in, a lot peasants in it so the distribution of owned land is very high you know and the population's fairly homogenous. The city dwellers all have country cousins and all this kind of thing. The one thing they didn't realise, and it's really quite funny, it gets the best reaction when you say "Good evening serfs" because everybody says "What?" and you say, "Well you don't own your land, the land your house stands on belongs to the state". The Irish state inherited the feudal rights of the British monarch and nobody noticed so one former Irish cabinet minister came up to me at a supper recently and said "Kevin you are not to go around the Republic telling people that" he said "that is very disruptive. I said "But it's true" you know these guys in the GPO in 1960 they went shouting, you know, "Give us feudal ownership, give us a lease" they said they thought they actually won ownership of land but they didn't so there's a high, let's call it a high problem. The ultimate ownership of land is under very peculiar control in most of the planet. I've got 57% of the land of the planet formally identified as feudal and stuck. The country, if anyone here who knows India, the country that is most damaged by feudal structures of land ownership funnily enough is India. China is feudal but is dishing out leases a bit like Britain and China has reduced abject poverty from 80% to 46% in the last decade. The Indian figure for abject poverty; less than a dollar a day has not budged in a decade, it's 81%, unchanged. The Indian middle class has expanded but there's some they haven't got into poverty and they're stuck because of the strange systems of land ownership in that country.

So serfs, citizens not serfs. In the United States by way of example, the United States the land you have your house on or your farm is yours, there is no superior owner and I think personally that that's politically very important. A person who really does own their own land is certainly a great deal politically freer than somebody

whose site is owned by either the crown or the state.

Now Europe. Because of the way land ownership has cropped up in the United Kingdom it's common to think that the most concentrated land ownership in the world is in Scotland and after that in South America and both are wrong. The most concentrated land ownership, the largest amounts of land in the fewest hands are in Spain; that's where you go. It's not true to say that 52 families own Spain but 52 ducal families own 30% of Spain's agricultural land so 52 families owning Spain; it's not too far off. Now this has enormous meaning and I'll take you into it very briefly. There's a lot of noise about agricultural subsidy hurting the poor, well I'll show you how that happens but you don't have to go to Africa to find it. What's happening in Europe is extraordinary. The bulk, and you're talking about 48 billion a year, you're not talking about pennies, the bulk of that money goes to the richest people in Europe, it doesn't go to Fred Bloggs with his 200 acres down the road. Ultimately in the form of enhanced rents and in the form of enormous growth in the value of rural assets it goes to the super rich and that's true throughout Europe. In the United Kingdom the direct subsidy is about 4 billion and one billion of that goes to 2,148 farms which are about 3,000, 4,000 acres and most people are not conscious of this but this is how the rural world is really structured and this is why the subsidy is wrong. It doesn't go to those we the taxpayer believe it's going to, it goes to the super rich and it makes them much, much richer.

If I could just stay with Europe just for a moment. Now there's another problem with Europe. The second problem is finding out who's getting the money and the oddest thing is I've had to use the United Kingdom as an example because our farming statistics enable you to work it out. You can actually work out from our statistics that there are 2,140 big farms that are getting most of the subsidy. Once our statistics get to Europe they become completely mangled and you cannot actually work out ownership from the next level of statistics. All the stuff that identifies ownership

vanishes. Now think about that, it's very, very important. There's a concealment operation; I don't know whether it's conspiracy, stupidity or just plain incompetence but how workable statistics when they go up the chain become totally unworkable is beyond me and the Eurostat statistics have a team of 750 people and cost 56 million to degrade the statistics the member countries are submitting.

So now let me take you to how we use the subsidy as a weapon. Those of you who remember European history will remember that or know that before World War II Russia, Bellarussia and the Ukraine were virtually the breadbasket of Europe; they produce most of the grain. Well go to the Polish border and you have a 200 acre farm on the Polish side and owned by Jan and 100 yards away on the Russian side a 200 acre farm owned by Ivan. Right, before he even gets out of bed Jan who is now in the European Union gets approximately €20,000 before he gets out of bed. If he does nothing he still gets €20,000. Ivan on the other side of the border 100 yards away starts with his competitor €20,000 ahead of him before he gets out of bed. So we're not damaging the Third World we're damaging, you know, the developed world and the subsidy is being used as a weapon to keep, particularly those three countries, from competing effectively. If you're in business one of the things you have to do is find out what your competition is doing obviously. You know if somebody's selling a car for a hundred quid cheaper than you, you need to know it. Now the best statistics in the world for working out land ownership, how much subsidy is going to who are those of the United States of America; it's all there, you can work it down to the last acre who's getting what. But the United States has agricultural land of 930 million acres and it's got 2.2 million farms; now think about this. Europe has 430 million acres and 11 million farms and there's a country called Greece which is, it's about 190 the size of the United States and it's got two thirds the number farms as the United States. So if competition means anything, you know,

the system in Europe is the economics of the loony bin plus and I have kind of no ideological angle; I've just discovered these facts, it's extraordinary. But within the United States farm structure has two hidden things in it which you can't find in the European statistics. In the American figures you can find out that American farming is actually conducted one and all the production and most of the subsidy goes to 177,000 farms; quite a small number. In Europe no country has farms that can compete like that. If you've got 6,000 acres you're in a better position and a vast subsidy, you know you're going to out-shoot everybody and you know 11 million window boxes. There are countries in Europe which are getting subsidy down to alleged farms that really are window boxes; they certainly can't be much bigger on the statistics.

Right, we've already mentioned... sorry I'm doing a bit of a flip because land ownership systems tend to follow historic structures and the biggest historic structure of all was the British Empire. But if I could sort of pause, which British Empire because I don't think there was one, I think there were several and when we get to the Q & A we can perhaps go into this. The United Kingdom has retained 486 million acres of its empire, which is quite a lot of land. The second thing is, amongst the 16 colonies are the fourteen richest tax havens on earth. So we may have lost a lot of the empire, may, but we have certainly kept the piggy bank. Most of the world's cash is in Crown colonies and when I say most you're talking about 60% of all the world's free cash is in places like the Bahamas, Antigua and so on; the main ones anyway are Crown colonies so we might have lost a lot of things, we didn't lose the piggy bank, we've got the loot. The other reason for thinking the empire's bigger and it's not as dead as people think is that alongside the growth of, if you like, organised structures after World War II the rule of law internationally has actually become extremely strong despite what you read in the newspapers every day and the rule of law has contributed enormously to the stability of land ownership structures. Now our head of state is also head of state of 12 other countries

meaning they're quite closely linked to us, meaning that every morning somebody brings into her parlour the state papers for 16 countries. It gives you a very good eye on the world, it gives you a very good way of knowing what's going on and when the world was split into east-west, you know, the Commonwealth and the residue of the empire was split likewise; that has changed and very few people have reported on it that there's been a real strengthening and tightening up of the connections with the former colonies. You know if a unipolar world, in the United Nations all the contacts get you new votes; it's worked out extremely well. So in an age where international legal structures have strengthened enormously the residue of empire is a lot more real than virtual. In the book I refer to it as virtual but I think it's fairly real.

The land of the four great religions; I haven't included Judaism because Judaism although it gave rise to two of the four is very tiny in world terms, it's only about 0.4% of world population as a religion and it doesn't have huge land holdings but the largest, the universal landowner is the catholic church. Now I was born and brought up a catholic and even spent a while in a catholic monastery but I did not know I belonged to a state. The Catholic Church is extraordinarily unusual. It is a state, fully fledged state. It's a member of the United Nations, a full member, it doesn't vote but it's a full member, and its head of state is a legal monarch. Amongst the heads of states of the world, you know, people are presidents, prime ministers, kings and queens; the Pope is a monarch on the same basis the Queen of England is a monarch. So I find this extraordinary. The Catholic Church also maintains 164 embassies around the world; the United Kingdom has 155 and the United States 170 so the Vatican runs a diplomatic structure that's very, very close in size to that of the United Kingdom and the United States but the Catholic Church goes beyond that; it's got depth that very few other states have. Within the catholic church which is a state is another one, it's called the Knights of

Malta and everybody says “Oh God”, you know, “guys in funny hats and swords”; they have 93 embassies. So the Catholic Church’s second private state runs 93 embassies. Put the two together and the Vatican outflanks, outranks, outnumbers all the world’s major states in its diplomatic army. Once upon a time the Catholic Church owned about 40% of Europe; it doesn’t own land like that at all any more but it is the universal landowner. I have detected meaningful land of the catholic church in 163 of the 196 counties and like all monarchial systems all land owned by the catholic church is actually owned by the Pope personally as the Queen owns all our country. So it turned out to be a very unusual structure and I’ve labelled the Catholic Church the universal landowner because it is. It’s got land in more places and it owns it than anyone else. The other Christian, and remember the Catholic Church is 1.2 billion in numbers; I mean it’s the biggest denomination and it’s the biggest religious group and it’s a state. No other religion has even attempted to create this structure. Anyway Christian churches mainly in the United States are very rich but the religion with the most land in the modern world is Islam. Now Islam is not hierarchical so land isn’t owned in the same way but the mosque generally is financed by a trust and over the centuries land was put in those trusts and many, many Islamic countries their trusts became so big that they are actually government ministries but I would estimate that the mosque, the trust lands of the mosques are 20% of the land of Egypt and it’s certainly in excess of 3 or 400 million acres worldwide. So both Buddhism and Hinduism have substantial land holdings. Both have monastic systems and temples and they have temple staffs who have to have, you know, land and so on so religion is a very important landholder in the modern world.

Now I want to talk briefly about the central problem. When we get to Q & A I’d like people to have a think about something. How many people actually thought that you could write a book and actually identify most of the ownership, because certainly I’ve done it? I don’t mean that as a boast or anything, I

mean as a matter of fact, the ownership of about 90% of the planet is identified in the book. Well you’ve now discovered why it wasn’t as difficult as it looked for you’ve got countries and monarchs and people owning lots of land it makes it easier but can I take this back to the United Kingdom just for a moment because something happened here; possibly two things that are of enormous historical importance but they were very strange.

Most people here, if I said Domesday, would most people here know what I meant? The old one, 1086 yeah? Well actually that wasn’t a Domesday in the sense of a land registry at all. It covered 35 English countries out of about 44 and mostly it was the donation of William of land to his lieutenants, it wasn’t a list of who owned land it was a list of who William thought should have the land and the real, you know, occupants were just discounted. That book has achieved an enormous amount of publicity and its republished every now and again but in actual fact the United Kingdom in the modern world is probably the only country that has ever had a real Domesday of all landowners. It happened, it was commissioned in 1872 and published 1873-4 and 1876 and I’m prepared to bet that 99% of the audience have never heard of it and it’s a real Domesday. Every landowner not in one country but in four; England, Ireland, Scotland and Wales, every single landowner of over one acre is in the book and nobody’s ever heard of it. Now let me just show it to you. There are four volumes like this and anyone who wants to, please come up and have a look. So first of all it was important because although history is littered with Domesday, one type Domesdays. I mean the first Domesday occurred in 2035 BC; the Pharaoh had a Domesday that was so important that whenever he travelled he took it with him but it was his list of what he owned because the Pharaoh owned everything but he wanted to know what the thing, you know, how much land there was in various places so history is littered with type one Domesdays. All the Chinese emperors had them, the

Empress of Japan, the Pharaohs, they existed in Mesopotamia so Domesday one is bog standard, occurred everywhere but didn't occur as far as I know anywhere was this one. Now, question. Why has nobody heard of it? Now I don't have an absolute answer but there are a couple of answers. First of all that book showed that 94.8% of the British population didn't own a blade of grass and that's only 130 years ago, it's quite recent. The entire ownership, or holdership to put it more exactly of land in the United Kingdom in 1872 was in the hands of 4.2% of the population and that was it. Nobody else had any kind of you know freehold, leasehold, nothing.

Now think of what I said earlier, everything has changed. Seventy per cent of the UK population now has, you know, a hold on land and the book, if you like, that will tell you where it started is over there. You know if you're a historian or an economist and you wanted to know what was the starting line and where have we got to there it is, perfect, it's about 95% accurate and again for those who don't know it the modern Land Registry of England and Wales had not got 50% of the two countries in it. So this was done over four years before they invented fountain pens and it'd have been quill pens and they did it in four years flat. So now what have we got? After 65-70 years we've got a land registry that is 50% incomplete. Until 1995 none of us could go and look at the land registry. If you wanted to go and do this book now it would cost £99 million; in 1876 you could have bought the whole four volumes for £70 and if you didn't have money you could see it in your local library, they all had a copy. Now there's a second level to this. The Domesday was done by people being ordered to submit a return saying what they owned and that return was turned around with a tuppence halfpenny stamp and sent back to the parishes. The parishes all had the local records so that book was astonishingly accurate because, you know, some chap would write in and say I own 10 acres and say where he was and his return would go straight back to parish wherever to be asked "Does this guy own that land?" so it was an extraordinary accurate book. But the

last academic paper written about it and it was 15 pages inside a 500 page book that damned it was in 1881; thereafter total silence. That book has not been looked at by a scholar, an economist or anybody else for 130 years and yet that is the starting line for the modern world of, you know, ordinary people because what I would like to put you is the transformation from owning nothing to owning something is what has had the most profound effect. The politics haven't followed through but prosperity has certainly arrived. So I raise that Domesday to try and have you think a little about how information is given to us, the public. That book represents the most successful civic deception of all time. How do you hide a book like that for 100 years? How do you stop curious students from, you know, studying it or whatever? But most economists nowadays are struggling and struggling is not the world for it with the state of the world's economy and they're only just beginning to grasp something and I mean just. In 1872 the whole of the United Kingdom was owned by 4.2%, 95.8 owned nothing. Now the 4.2% owned all the assets, that was it. You know there was some industrial stuff but basically the country was owned by a very small number of people. Now most of the land in that book is held by the descendants of the people in it; this was the other thing. I was able to fill out the hole in the Land Registry by using that book, the addresses don't change and the families seldom do so the cousinhood still owns. Sixty nine percent of the United Kingdom is owned by 158,000 families most of whose names you find in this book but in 1872 a very small group of people owned everything. Now the homeowners of the United Kingdom, their assets are worth 3.3 trillion; it's an enormous number and no such number has ever existed before especially in the hands of ordinary people so it matters enormously this strange transformation. The guy who owns Forbes magazine was giving a talk recently and he pointed out the Americans are beginning to work this one out that the homes of America are worth 17 trillion and it's the borrowings on those

homes, he said, are keeping American industry going. So it's not rich industrialists anymore, it's not the elite borrowing on their land, it's the ordinary population, the race itself now in certain countries actually now owns the masses of the assets, the classes no longer. The residual assets in the hands of the residual landowners are worth 250 billion, homeowners 3.3 trillion but homeowners are what used to be the mass of the race, the people who owned nothing. Now I leave again another thought, I'm not stitching it into the argument but Niall Ferguson is doing a wonderful series, who's watching it? The one on Channel 4 Mondays. The most bloody century of all time. He's fairly wildly out. Between 1207 and 1227 AD Genghis Khan killed 60 million people. That is the equivalent of 889 million people nowadays so just two decades of the 13th century saw vastly more people killed than perished in the whole of the 20th century. In actual fact the end of the 20th century and the beginning of 21st century have seen a planet that has never been so pacific. If you look at history in the long reach and don't stop for too long with the Mongol Empire. The Mongols killed one in every four people in China and a third of the population of Asia and the figures, the relative populations are available, you can work it out so Niall's idea, he's got the wrong century. Something has happened at the tail end of the 20th century that has brought an end to the kind of conflicts not that marked the 20th century but that marked all of history and it just might have something to do... remember the First World War was started by the developed world, it was not started by African tribes or Asian tribes. Likewise World War II. Those with the power and the means, you know, the money and all the rest of it to wage dreadful war were the developed states. The developed states now are a little bit different, you know, most of the people in the developed states have what humanity has never in all its history had; they've got a stake in land and understanding this, its consequences and its meaning is, I think, very important. It's if you like that's what who owns the world is about, it's about producing facts that might be known disparately but have never been pulled

together but to me the most important fact is that one fact that I was able to work out from Jack Powelson's book; 99% of the race never owned anything and 98% probably died in poverty, died violently and died prematurely because of lack of land and that's why land is so critical. You know in the... now I haven't got a slide to go with it but who here has heard of Hernando De Soto? Okay. Hernando is extremely important and you might think I argue against, I don't. Very simply Hernando De Soto is a Peruvian engineer who made a lot of money in Switzerland and went home because he's a Peruvian and he discovered a country where the legislature was passing a hundred laws a day against the poor; the poor were 99% of Peru so the parliament was abusing the mass, you know, abusing the population. He found that most enterprises in Peru were outside the legal system. In other words, you know, there was an ordinary economy and a black economy but the black economy was enormous and the reason it existed was because the laws in the real economy meant ordinary people couldn't get in. You know you had to register property; that meant you had to be literate but he did a little test. He sent two of his students out into Lima and told them "Do it properly, set up two sewing machines to make shirts but do it properly, do it through the system" and you'll have to take the figures, it's rough. It took 293 days to get a licence to make a shirt and it cost the equivalent to 31 months of an ordinary Peruvian's salary to do it. Hernando didn't have much trouble showing what was wrong and that's wrong in most developing countries. However Hernando wrote a wonderful book called "*The Mystery of Capitalism*" and his argument is you can solve the third world's problems by getting them all into legal ownership. Now what I say in the book is "No, that's not true". The land owning systems we've got in the west, in the developed countries are beyond, they're a monster. The laws work against us not for us. We're prosperous and we haven't got a tenth of the prosperity we could have if we weren't stuck in one tenth of an acre, each family, and all the rest of it. If better use was

made of land, if there was a real market in land, if there was a real land registry prosperity in the west has no limit. But Hernando I think makes a very serious error in believing that all you do is you take the land registration system in Britain and you move it to Peru but most people don't realise what the land owning system we have is. Anyway, okay, I wind up with a very brief commercial. The finishing school I went to three of my fellow students did coups d'état and two are still heads of state so I thought if anyone was feeling radical here, give me a call, and I throw in the firing squads free. You may not recognise it but that's me. So firing squads free, coup d'état's a little more difficult.

Jonathan Carr-West: RSA: Kevin I think the picture you paint is a very compelling one but I wondered short of a coup d'état what do you think should be done?

Kevin Cahill: Well even in the book I don't go in too much into the politics. There's been a huge transfer of power but the people who have it haven't noticed. The sooner the landowners assert the kind of powers that the landowners of old asserted the better.

Karen Smith, RSA Fellow, Diocese of London: I'm fascinated by your use of the word ownership because you have used the word ownership to describe the irregularities between people who own land and those who are poor and yet in the same time you say that, you know, in England, Wales all land is owned by the sovereign. Now I work for an organisation that certainly believes we own large chunks of England and Wales and if you ask me why I believe that then of course I'm going to say to you well it's all down to Queen Anne's bounty and if you ask me to prove it I will say to you I have beautiful hand written parchment documents that say "We do give this land without encumbrance and without hindrance" so hence I'm fascinated with your definition of ownership.

Kevin Cahill: Ownership is defined and actually the most recent definition was in the Land Registry Act 2002. In the preamble the government pointed out that there is only one landowner and that is the Queen and all

others held an interest in an estate in land which is a form of medieval tenure; that's what's written in the bill in 2002 but I didn't catch the rest of your question.

Karen Smith, RSA Fellow, Diocese of London: No I think you have clarified where you have actually taken your premise from which is very good, thank you but popular belief is that the church owns a lot of land in the United Kingdom.

Kevin Cahill: Well just to correct a fact, most people think the Church of England is a big landowner, it isn't. In 1972 it was the largest owner; it had 2 million acres, it's now got 103,000 acres and no explanation of where the other 1.9 million went.

Karen Smith, RSA Fellow, Diocese of London: Thank you.

Arthur Crisp, RSA Fellow: If we go back about a hundred years there was tremendous social turmoil throughout Europe and America, throughout the developed world, most of which has been lost sight of because of the dreadful impact of the First World War. The Edwardian times are sketched in as elegant and so on but they weren't. It was a time of great social turmoil, Barbara Tuchman writes vividly about it. It was socialism and it was anarchy and there was the threat of revolution in many European countries and I'd be interested in your views about the relationship of the First World War to the issues that you're talking about because I've always felt that the First World War was a back to the wall attempt to restore the status quo by the landed, the people who owned the land throughout Europe; we're talking about the monarchs who were all related and so on to create a conflict that would abort what would otherwise been a social revolution and indeed in a way became one after the Second World War although it happened after the First World War nevertheless in Russia but it was a revolution that would have been driven by the working classes and not those who were emerging as the middle class home owners that you were talking about it was a

class that felt dispossessed and in a way still is dispossessed. So my question really is about the extent to which you think the conflict which Ferguson goes on about, the First World War, was part, reflected the issues you're talking about.

Kevin Cahill: With the benefit of hindsight and there's no doubt that's what it is all that the Soviet system was was the Tsar rewritten in much harsher terms. Instead of, you know, an aristocratic landowner, landlord you got the state as your landlord. In fact basically things just didn't change and especially talking about the First World War, I think the whole concept; if you look at what has actually happened, if you look at where prosperity is and how many people it affects, in the United Kingdom 4.2% 130 years ago, 70% now. Go back to the First World War 7% perhaps owned something and that would be figure for all of Europe so the whole class thing was sold as freedom, liberation, revolution but in actual fact in was just a change of landlord. Instead of having an aristocrat as your landlord you got the state as your landlord so the road to prosperity was undoubtedly hugely interrupted because sitting where we are we can see what that road was. The road was actually private home ownership but nobody understood that and it's not very exciting. It's terribly hard to go down and wind up the mob in Red Square saying "Freeholds", you know, "have your two up two down" it doesn't stir the masses but I feel that World War I in particular you had a change of landlord and nothing else and a huge price in lives was paid for it.

John Slater, RSA Fellow: I'm not totally convinced by your argument. If one analyses the power dynamic in this I don't think the absolute right of ownership of land is the issue. I think it is the ownership of the wealth of the land. If one goes to the 2002 Act that you quote ultimately the state can compulsory purchase any land and so therefore ultimately the state is the owner but they can only do it by paying compensation for such compulsory purchase and surely the dynamic in what is going, on bearing in mind that those that hold freeholds and those that are the leaseholders of the freeholders have

votes and can vote for whoever's going to be government, surely the power in this is the issue who owns and controls the wealth of the land and not the outright ownership. I'd appreciate your comment.

Kevin Cahill: I hope I'm not being unfair to, you know, theoreticians and so on. I feel, well first of all 70% of the land holders in the United Kingdom are freeholders so when you talk about leaseholders you're down to mainly London and the metropolitan cities and you're down to a very small number in actual fact. The book of holdership is freehold and the bulk of that form of ownership is, you know, a home; two up two down or whatever, even flats and things and I think as I've said we still have states that belong to history. The structures of states should have changed to recognise that people now own the assets, ordinary people. I give you very simple samples of how the state is not responding to this. The last Conservative government cancelled mortgage tax relief and everybody wonders why our house building levels are at the same level of 1924. The growth in home ownership I think has been masked by council house sales and has stopped pretty well totally and there's political nerves about ordinary people owning their own home because eventually they will start saying to a lot of state impositions "No, push off, this is my house, go away. I decide what I do here" you know, remember the American Revolution in 1776 was done by if you like by bolshy English immigrants who didn't like an overwhelming state. Now home owners have been seriously mistreated, you know there tax relief is gone, the richest landowners get the subsidy and don't pay tax; I mean this is mad, you're giving rich people 4 billion a year, the people who are very rich and taking it from the rest of us. But I think what I'm saying, I don't develop it because there were too many facts to actually bring to notice if you like, I'm trying to say I think that home owners haven't woken up, they're fast asleep and when they wake up and say "No, we are the power, we are the people and the state will follow what we want" you'll

get a very, very different society. You know when a small number of landowners ran the world, because it was the world they ran, they shaped the world. Now we the people own or are starting to own the world, it's our turn to shape it, it's our turn to decide what it is but you know we're split into Labour, Conservative, Liberal Democrat and not one of the three parties will even think about freeholds, reforming the law of land ownership, restoring benefits that would make home owners or recognise home owners for what they are; the majority of the population. You know people haven't woken up to it; we're asleep at the wheel.

James Woodhuysen, Professor, De Montfort University: I was minding my own business in a rather down market hotel in Bermuda in the summer and who should walk in but Lord Goldsmith who was telling everybody that Al-Qaeda was a major threat in Bermuda to lots of lawyers assembled there so I would like to endorse your point that the ownership of these obscure islands and their colony status is quite important. I'm not sure all the money that is deposited in iffy looking banks in Bermuda is actually British money; perhaps on the question of ownership you would clarify that and then getting back to Britain to continue the debate it seems to me that it's the state's monopoly over development rights of land is the key issue here to get underneath ownership and by having that monopoly and being entirely in hock to the Buddha of Balmoral, Prince Charles, and the three men and a dog who run government policy on the green belt; they're called the Campaign to Protect Rural England, it seems to me that the monopoly is enormously straightened and toughened so that house prices are effectively underwritten by Gordon Brown not wanting to change the planning regime very quickly. I'm delighted by your thumbs up but I trust you'll give a suitably polemical riposte?

Kevin Cahill: James thank you for that. I have come to the conclusion that that is true. He's prepared to do nothing to... the 70% of us who own homes are quite well off; Gordon Brown's not going to do anything to

rock the boat even if in the long term it would be a good thing. Now in the little close I live in most people apart from ourselves are Daily Mail readers and very conservative but I did a poll and most of them have paid off their mortgage and I said, "How many of you would take a 25% hit on the value of your house to get your grandchildren onto the housing market?" All six of them voted yes. Ordinary people do think realistically, they do think rationally but I'm not sure, you know, political parties searching for votes don't but can I have one moment to talk about CPRE; The Council for the Protection of Rural England. I phoned them up last year because they produced a report and I said, "How big is rural England" and the answer I promise was "No idea". I went "Eh?" so I said "Okay, how big is England", no idea. "How much of it is rural?"- no idea. I'm serious. So about eight months ago the Council for the Protection of Rural England produced a report and the report said, "If we carry on building at the rate we're building rural England will have vanished in 30 years". Mm. Only 2,000 years wrong. The figure was hidden on about Page 9 of the report. We're concreting over 14,400 acres a year. Well it's going to take us another 2,000 years to concrete over rural England and all the media reproduced that, nobody checked it. Nobody said "Divide rural England by that figure, what do you get?" the answer was 2,000 years; I don't think it's something to worry about just at the minute.

Rosemary Johnson: I'd like to ask if you could possibly say how common land or at least what are us deluded and ignorant serfs would regard as common land would fit into your scenario and its uses and abuses. I should maybe have added that I come from a part of north east London where we are seeing all our precious, valuable, green open spaces, common land about to be built on, concreted over, turned into car parks or otherwise fenced off. Thank you.

Kevin Cahill: Okay, now there's a common misperception about common land. Common land always had owners but

ordinary people in the villages around it had rights and the strangest thing about the enclosures; England is only 32 million acres and during the Enclosures 8 million acres of common land was enclosed so a quarter of England was enclosed. Now the right holders, the Enclosure Acts were unconstitutional because Magna Carta which was effective in those days prohibited taking land or rights without compensation but there's not a lot of, I couldn't detect a lot of common land left, a lot of it's gone but when you get a gang like the Council for the Protection of Rural England I think the question you should ask is the one a detective asks when he looks at a crime scene "Qui bono?", who benefits, and the answer is an acre of rural land that is changed to development goes from £3,000 to £1 million overnight so it's in the interests of those with a lot of land to keep everyone else thinking land is scarce. All of us in the United Kingdom live on 4.2 million acres out of 60 million. The country is nearly empty. The oddest thing is I came up from Exeter in a train and looking out the window you're passing through an empty countryside and if you read the newspapers you know, every field has got its new supermarket and we have been sold the most extraordinary image of our country; it just doesn't exist. I remember taking the BBC down to Exeter and we drove out. Now Exeter is a city of 100,000 people and we were about 300 yards out of the city and it disappeared behind a hill and the BBC girl was saying "Where's Exeter?" and I said "It covers about 1% of Devon and it's behind the hill there" because she was looking at all this countryside which is not threatened by anything. To build all the houses we need, to build another 2 million you need 100,000 acres out of 41 million of subsidised land? And think of this, if land is subsidised how can it be economic? If you separate out, if you price the subsidy and the acreage of England alone, 13 million acres are redundant, they're uneconomic because if they were economic why would you be paying a subsidy and you know this all... but the campaign to persuade us that there's no land is... I'm a journalist you know and I was thinking on the train coming about telling you, remind you that the

newspaper this morning is lashed up by people like me between my fourth and fifth pint last night. You buy it this morning for 60p and I hope you use it for the fish wrapping tonight. The media is the wrong place to get information. If you don't know the context, you know, that report from CPRE was extraordinary. The key fact was in it, not one single media outlet looked at the figure. They all said, you know, "Rural England's doomed, 30 years to go" and actually is was 2,000. Well between the fourth and fifth pint you might make a mistake like that.

Lawrence Kormornick: Kevin we know each other but I'll introduce for the benefit of the others, Lawrence Komornick, lawyer, sometime property lawyer. I'd like to thank you first of all on behalf of us all for a very informative and entertaining lecture but now to the question. I'm interested on Point 4 of the sheet, 'The Consequences of Landlessness now on the Modern Earth'. I have to say I'm not doing this out any sort of pious desire or that I represent some sort of charitable interest but I think it's an interesting question because one so often hears that a lot of the aid that goes from the west to these developing countries or third world countries, which I agree is an awful expression because it's an them and us but that's what we call it, a third world developing countries is mostly a waste of money and it doesn't do very much to take people out of poverty. Are you actually saying that if we wanted to redirect aid that comes from the west to the third world countries more effectively that what we should be doing is channelling that money to enable people to own land? Is that their way out of poverty?

Kevin Cahill: Absolutely Lawrence 'cause I mean I just looked at how did we get out of poverty? That's how we did it. You know the mass of the population got a tenth of an acre and look poverty is what, 5% in the United Kingdom? Back in the time of this book 95% of the population was exactly like the third world. You know the slums of London in 1876 were indescribable but no

more you know than Lima and the issue really, really is if we want to get people out of poverty we've got to find a way of getting them land like we got it. When I was in the army I served in a place called Aden and I was out on patrol one time and you know going through a slum and I suddenly realised that I was walking through family residences. Cardboard boxes and the shock, that was 40 years ago, and the shock, I can still remember thinking, "I don't believe this. People can't live like that" but they did and what was worse was the price of a pair of my boots would have paid an Adenese family to live for a week and I've never forgotten that and that's partly what... aid is vital; this is not an anti-aid argument. Aid saves lives now; it's utterly vital but if we're going to get the wrench out, the screwdriver and a hammer and get to work on poverty this is the challenge, it's getting land to the poor and it's, you know, getting land out of the rich. In England we all know the story, we're here, but that has to be done everywhere and very little land is needed; that's the whole point you know there's no need to take estates, confiscate, nothing. They were never confiscated in the United Kingdom but I would offer you a thought though. There is intense prosperity in Ireland, in the Republic in particular and the Republic was the worst of the European... the journalist Henry George describes it; Ireland in the post famine was the worst of all of Europe, there was nowhere so awful. The Irish had no villages like English villages and the dangers of not owning... the message of the Irish famine isn't about the potato, it isn't even about landlords, it's about law. How could a landlord evict a tenant knowing that they would die in a day or two in the Irish weather? And the answer was, the landlord said and this is why they did it "None of my business". Private property is absolute, tough on the tenant and they killed a million people but they didn't shoot them or anything, they used the law. Now I didn't bring this up in the speech, if I may speak just for a moment. What the Irish, the real message inside the Irish famine is bad law is dangerous and it's even more dangerous if you don't own your home, you're doomed.

Ben Rattery: Good evening. My question is where in the world have you found the highest proportion of people owning the land on which they live and what historical factors have led to that situation?

Kevin Cahill: Right next door, the Irish Republic. About 90% of all families in the Republic either have a stake in a farm or a stake in a freehold. It's probably, there are daft figures going around the international system, home ownership in Spain is 87%; it is because every holiday home has been double counted. Home ownership in Spain is highish, 60, but the Spanish figures are totally... but the Irish are so busy making money they haven't bothered to analyse what's happened to them. Quite seriously. I mean the volume of academic work on why is Ireland a, you know, very high growth economy is incredibly poor and perhaps it's living inside the Irish economy nobody a) is interested or b) can see outside it. I can see outside it for a couple of reasons. One I live here and that helps enormously; gives you perspective. The second is Ireland was still very poor when I came here so I can remember serious, the Angela's Ashes poverty was real, I saw it, Limerick was just like that in my childhood; so the transformation. But the transformation is being driven by private home ownership, everything is revolving around it; the consumer society but there is a vital, it applies a bit to America too but it's crucial, the families who own farms tend to be the families who own houses. Society is kind of homogenous and there were two, if I may very briefly, just two facts. The Irish boom began in 1991 and we dragged the Prime Minister of the time over here to give a private talk in London and here's what actually happened. The economy was going nowhere, there was a lot of land and a lot of people owned land that wasn't being used so without publishing any laws or any memorandums the government said if somebody in a rural area wants to build a house all they have to do is swear, that's all, no evidence required that the brick in the field was their ancestor's hut in 1750. So

you'd be amazed who many people had ancestors with a brick in a field in 1750 but it start, just that, just that unpublished change in the planning laws launched the Irish economy and it slowed down a bit but it's back in high gear again and we can absolutely say when as many people as can own a home own one what happens in next? In Ireland you found out 20% of them own a second home, not for rent, you know down on the seaside whatever. So what do people do when they have paid of the mortgage on their first one they buy or build another one in the country somewhere and we've had people from here, the chattering classes, go over to the Republic and say, "Oooh, you know, all these awful houses". In the book you will find the populations of the Irish counties are the lowest density of population in Europe. There's a sad side to it, they've never recovered from the famine. The shadow of the famine is visible instantly in the Irish county populations. What's even more interesting is that the English counties which were struck by famine in 1845, all six of them, show the same retarded population growth.

Gita Alveres Meneses, RSA

Fellow: I wanted to ask you two brief questions. One is the actual name of that book on your desk and the second one is what do you see as the answer to India's poverty vis a vie China's, both countries with huge populations. One was nursed while colony of the British Empire but has been an old democracy if 60 years is anything to go by. The other in a way still suffers from serfdom, a remnant of the Chinese Empire.

Kevin Cahill: Please if anyone would like to see the true Domesday please come up. Well the figure, my pet paper, my favourite paper because it's a real paper, the FT is very keen on India but that terrible figure of the unchanged, absolute poverty bothers me a lot. The growth of prosperity is great but in India, you would know yourself, you can't order anything, the government can't really make its writ run. In China of course the central government can, I mean China 15 years ago was exactly equal with India; 81% of the population a dollar a day or less now it's 46%. That's never happened in human history, never

has so many been taken out of absolute poverty but so far, I mean, it's terribly shallow if you'll forgive me. But my sense is that land in India is stuck in historic, you know, feudal, pre-feudal, post-feudal, you know, almost Neolithic forms and tiers of, structures of, you know there are 25 people taking, you know, a cut; it's not workable. If the poor have to have enough room to live and enough room to, you know, grow enough 'til they get into the industrialised economy but it is possible. I guess what I'm saying in the book is that the elimination of poverty is possible, it's been demonstrated in the west and come on let's give it a try in the developing world. Instead of aid let's find ways of getting money to people so they can buy their own land.

Gordon Glass: A bit tongue in cheek perhaps but I'd say Robert Mugabe seems to be doing, putting into action what you're suggesting. Can you tell us, well it doesn't seem to be leading to prosperity, can you tell us where he's going wrong and preferably even tell him as well?

Kevin Cahill: Well you're not going to find... he's getting it wrong... Ireland has its workable land structures because there was land reform. All the land of the great landowners of Ireland was absolutely distributed to the people but it wasn't given to them, they had to buy it, you know, they were given mortgages and everything. It's Zimbabwe isn't it? Zimbabwe is about, call it 44 million acres; 4,500 white families owned 28 million of those acres. Now it's very hard to justify that. It's equally hard to justify the way Mugabe went around it but after independence in Ireland it was political. Whether you got your land commissioned cottage and your little farm was political and friends of the ruling party were the people who got first choice and Mugabe's doing exactly the same thing. But there is a problem and it's not solved by saying it's okay to have 4,500 people own two thirds of a country especially one of which they are not natives and where our intrusion severely disrupted... we don't what would have happened in Africa, we intruded and now

we've got a basket case. But the pattern in Zimbabwe is much the same as in the United States in the 1800s, in Ireland in the 1920s and '30s. There's always corruption where land is distributed.

Captain Robin Tatam; Well I found that remarkable, challenging in terms of the views I previously held and my previous understandings and I found it very unsettling as what I assumed was a land owning serf but Kevin thank you very much and I hope you'll join me in showing appreciation.