

Re: Historical comparisons

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- *From:* royls@xxxxxxxx
 - *Date:* Tue, 07 Mar 2006 04:04:27 GMT
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On 4 Mar 2006 12:29:03 -0800, "William Mook"
<william.mook@xxxxxxxxxxxxxxxxxxxx> wrote:

royls@xxxxxxxx wrote:

On Thu, 02 Mar 2006 05:03:53 GMT, Fred J. McCall
<fmccall@xxxxxxxxxxxxxxxx> wrote:

Private individuals can buy, sell, and lease
land in Singapore.

Not much of it. As your own source reveals, "In 1960, the state owned
44 percent of the land in Singapore. By 1985, the proportion of land
under state ownership had increased to 76 percent."

http://www.findarticles.com/p/articles/mi_m0254/is_5_59/ai_70738932

Notice that this period of rapid land nationalization in Singapore was
also a period of during which the country rapidly became more
prosperous. Which contradicts your claim, above, that lack of private
ownership of natural resources means stagnation and collapse.

Correlation may derive from some causal relation, but you haven't shown
that causal relation yet.

The causal relation is well known: if you can't pocket land rent for
doing nothing, you are more likely to seek a more productive form of
investment. That is why the US states with the highest property tax
rates -- like NH, NJ, WI and OR -- tend to have not only better
economies than the states with the lowest property tax rates -- like
AL, AR, CA and MA -- but lower total housing costs.

Further, recent difficulties since about 2001 relate to difficulties
associated with the leases ending in 2047.

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There is no such difficulty. The leases end in lots of different years. You appear to be either misinformed, or misinforming.

Finally, the most productive land happens to be the land owned by private entities,

Source for this claim?

which suggests that land ownership has some benefit to society.

No, it doesn't. If true, it just suggests that private owners have been most motivated to appropriate the rents of the best land.

While all land is State-owned in Hong Kong it is 'leased' by the government for what is essentially the tax value it would bring if it were privately owned, so it amounts to the same thing in practice.

No, it does not, which is very much the point. HK probably recovers more land rent than any other jurisdiction of comparable or greater size in the world.

You're being a little dishonest here Roy.

No, I most certainly am not. But you are. That is inevitable when apologists for privilege attempt to defend it against self-evident and indisputable fact.

You're saying that government ownership of land that is leased to private individuals is the most efficient way of extracting lots of money from the private sector for the government.

That happens to be true, but it's not what I'm saying. I'm saying it is also the most efficient way to allocate land among competing potential users and place it in its most productive use.

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You have not made a rational connection between rents governments are able to collect, with productivity of society.

haha.

Haha. Land rent varies more than linearly with GDP, meaning that as society becomes more productive, land rent rises as a fraction of GDP. This is virtually inevitable, because rising productivity tends to push the margin of use outward.

That is, just because HK recovers more rent than anyone else, doesn't mean its a social benefit!

As I knew at the outset would happen, you are now refusing to know the facts that prove your beliefs are false.

It just says that land is really important to those paying the rent in HK.

Hehe. Have you checked out the prices of building lots in the USA recently?

The issue of long-term stability along with differences in productivity between leased and privately held lands suggest rents are tolerated in HK, but are in no way important to the productivity of the place.

?? ROTFL!! You mean the fact that leased public land is more likely to be used productively than privately owned land is not important to HK's productivity?? Give your head a shake.

And it proves that your claim, above -- "immediate stagnation and collapse because you can't have private ownership of natural resources" -- is just flat false.

This brings up an important point about your commentary.

You mean the fact that it has knocked the props out from under your whole belief system? Sorry.

Re: Historical comparisons

lol.

You have unfairly categorized land as a natural resource equivalent to a resource that is extracted and consumed

No, I have not. A depletable resource is not equivalent to a resource that is merely occupied, not exhausted. But in some important ways they are similar.

which reduces the value of the land the oil is found in once extracted... haha..

?? Have you been drinking?

Clearly, a developed plot of land in HK is immediately valuable

An undeveloped plot there is also valuable. Very.

and rents collected by those who own it provide immediate benefit to both renter and landlord.

?? How does the renter benefit by paying rent? I know the landlord benefits by pocketing the publicly created rent for doing nothing, but what is the tenant getting? Help me out here.

Obviously, an undeveloped resource that may be extracted from the wild frontier that is of value if brought to market at a reasonable cost, is something quite different.

But not in any relevant way.

Here the owner of the property, and resource, may lease the land to a developer, and may charge a sort of tax by demanding a royalty interest, but they also offer the developer a working interest.

And this differs from pure parasitism how, exactly?

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Obviously, this working interest amounts to ownership of the extracted resource, once discovered, and once the extraction infrastructure is installed, and once the transportation infrastructure is installed.

I still don't see how the owner is contributing anything in return for the royalties. Help me out here.

Clearly the land is worth less once the resource is extracted and all working interest is acquired by the developers.

The working interest arrangement is nothing but a red herring.

Surely, the case of tar sands development proves the value of ownership to developers.

No, it surely does not. Nobody suggested developers did not want to be owners. Of course they do. After all, that's how you get something for nothing.

The Canadian government sometimes offers 100% working interest, with 0% royalty interest, and so basically gives the resource, once developed, to the developer.

An outrageous welfare subsidy giveaway to some of the richest people on the planet.

This derives DIRECTLY from the recognition that the developer MUST OWN THE RESOURCE they develop in order to be induced to invest in developing that resource.

That claim is flat false. There are thousands of mines all over the world where the developer does not own the resource. There are millions of buildings that have been built on land owned by someone other than the building developer — including the Empire State Building.

You appear to have no idea what you are talking about. None.

Where the cost of development is less than the value of the resource developed, working interests can be less, BUT THEY ARE NOT ZERO!!!

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They can be, and often are. Working interest arrangements are normally just a way of spreading risk.

Obviously, if we want developers to arise that have an interest in developing billions if not trillions of dollars to develop off-world resources, we must have a system of ownership of celestial bodies in place that rewards the investment.

No, that is flat false, and you have no basis for such a claim. None. The investor's incentive to invest in capital equipment, development, etc. is not, repeat, not reduced by public recovery of the economic rent of the resource. This is one of the most well-established facts in economics, and has not been seriously disputed in well over 100 years. You are merely ignorant of it.

The UN can maintain that direct ownership is not allowed – for very good third party concerns. However, unless and until humanity allows for leases with a working interest in off-world resources no money will be invested in developing off-world resources.

Garbage. It already has been. As proved by resource development industries in many countries, it is not necessary – nor even helpful – to grant ownership of the resource to the developer. Ownership of the product is quite sufficient to sustain production and investment incentives at maximum strength.

— Roy L

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