

## Re: Lucas: Shame on the redistributionists

**Source:** <http://sci.tech-archive.net/Archive/sci.econ/2004-06/0933.html>

---

*royls\_at\_telus.net*

**Date:** 06/17/04

Date: Thu, 17 Jun 2004 18:35:17 GMT

On Wed, 16 Jun 2004 23:47:57 GMT, Les Cargill  
<lcargill@worldnet.att.net> wrote:

>royls@telus.net wrote:

>

>> On Wed, 16 Jun 2004 01:13:12 GMT, Les Cargill

>> <lcargill@worldnet.att.net> wrote:

>>

>>>In fact, the phrase "wag the dog" is precisely *\*the\**

>>>hallmark for a conversation leaving reason and heading

>>>for *The Land Of All Things Konspiratorial*.

>>

>> *The Truth is, Julius Caesar was assassinated by a conspiracy of*

>> *high-ranking officials and nobles.*

>>

>> *The Truth is, the Paris food riots of 1773 were organized by major*

>> *landowners and grain monopolists to discredit Jacques Turgot, the*

>> *finance minister, because he had begun to remove their privileges.*

>>

>> *The Truth is, the Nazis started the Reichstag fire.*

>>

>> *The Truth is, the Kuwaiti royal family paid a major PR firm to get the*

>> *Kuwati ambassador's daughter on national TV, where she lied that she*

>> *was a nurse from a hospital in Kuwait, and witnessed atrocities*

>> *committed there by Iraqi soldiers. Total fabrication, complete with*

>> *choked-back tears, the whole schmeer.*

>>

>> *And still we have the morons who bray about black helicopters, blah,*

>> *blah, any time anyone suggests that there may be more to a story than*

>> *the pabulum fed to the credulous.*

>

>*The list of actual documented events is considerably*

>*longer than that. With the single exception of Turgot's*

>*story, none of the examples are of rentiers "wagging*

>*the dog" to maintain privelege.*

??? The Roman nobles were indeed rentiers (though Julius didn't pose a direct threat to their rents, he did pose a threat to their

stranglehold on power), and the Kuwaiti royal family is nothing but rentiers.

>>>>> *Bush43 and his father were neither all that wealthy.*  
>>>>  
>>>> *I agree. But they are servants of the really wealthy.*  
>>>  
>>> *To the extent that campaigns need to be financed. No*  
>>> *further. We're talking about the size of a middling*  
>>> *IPO. And the donors generally don't get much more'n*  
>>> *a photo op .*  
>>  
>> *It is often astonishing how cheaply massively valuable political*  
>> *favors can be bought. AFAICT, the normal return on a political*  
>> *donation in excess of \$1000 is about 100,000%.*  
>  
> *Yeah, I've heard the figure, and it sounds ridiculous. It*  
> *is as if a roadbuilding contractor contributed, then the*  
> *contributions were attributed for his next four years'*  
> *top line.*

I can give you any number of Canadian examples. The Bronfman family gave the Liberal Party of Canada 3/4 of a million over the course of a decade, and then a Liberal government waived \$700M in capital gains taxes when the Bronfmans moved ownership of their company offshore. Bombardier gave \$175K to the Liberals one year, and then got an interest-free loan of \$180M the next. Li Ka-Shing arranged a small land deal through offshore buyers that shoveled a couple million bucks into the personal pockets of government leaders, then got hundreds of acres of land in downtown Vancouver for a song, making hundreds of millions of dollars in land rent profits when the land was rezoned.

> *Of course this happens. I just don't think it's the*  
> *\*dominant\* mode. Ironically, every time we try to*  
> *crack down on it, this gets worse.*

I've never seen anyone try to crack down on it.

>>> *It's the political equivalent of winning a backstage*  
>>> *pass to the Stones concert, and nothing more.*  
>>  
>> *??? Open your eyes.*  
>  
> *Open yours. Musical artifacts go for \$millions*  
> *at auction . We live in a celebrity culture.*  
>  
> *How can the average Congresscritter dispense as much*  
> *in favors as his campaign costs? Not a committee chair,*  
> *but the average guy?*

The small contributors typically don't get such favors. Only the big ones. And the average Congressman does it by selling his vote. Quid pro quo.

>>>>>>> *They are extraordinarily good at what they*  
>>>>>>> *do. They are also very fiscally conservative.*  
>>>>>>>  
>>>>>>> *AND THEY DO WHAT THE CUSTOMERS WANT THEM TO DO!*  
>>>>>>>  
>>>>>>> *And they are the recipients of tens of billions of dollars worth of*  
>>>>>>> *publicly created land rent.*  
>>>>>>>  
>>>>>>> *But they run trillions ( I don't even know how much )*  
>>>>>>> *in merchandise yearly.*  
>>>>>>>  
>>>>>>> *It's not that much, and anyway it's rrelevant. Trading and retail*  
>>>>>>> *companies do big volume because that's what they do.*  
>>>>>>>  
>>>>>>> *Point being: it overwhelms all real estate owned.*  
>>>>>>>  
>>>>>>> *Nope. Not even close.*  
>>>>>>>  
>>>>>>> *Their top line is 258 \*billion\* per annum ( I was*  
>>>>>>> *off by a factor of four ).*  
>>>>>>> *( I had read annual figures as quarterly before ).*

But they can't get that money unless they have the locations that let them get customers.

> *Balance sheet shows 58 billion in property, plant*  
> *and equipment. Total assets are 104B – about*  
> *four years top line.*

Their land is grossly undervalued. That's entirely normal. But in any case you are comparing flows with funds, apples and oranges.

> *This is not some feudal culture where people belong*  
> *to the land. Production outstrips assets values or*  
> *you get cut up for scrap. Period.*

Complete garbage. You don't have to produce anything when you're pocketing land rent.

-- Roy L