

Re: The Great Divide

Source: <http://sci.tech-archive.net/Archive/sci.econ/2004-08/1009.html>

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On Tue, 17 Aug 2004 14:56:54 -0500, "Jim Blair" <jeb@wisc.edu> wrote:

><royls@telus.net> wrote in message news:411dc4e0.9199093@news.telus.net...

>> On Fri, 13 Aug 2004 12:30:25 -0500, "Jim Blair" <jeb@wisc.edu> wrote:

>>

>> >"Mark Monson" <m_monson@ztech.com> wrote in message

>> >news:iUPSc.206\$Ji.97@bignews4.bellsouth.net...

>> >>

>> >MM:

>> >

>> >Are there any who claim patents are not a means of rent-seeking?

>

>jeb:

>> >

>> >Now *THAT* sounds like you think patents are *BAD* because they are a form of

>> >rent-seeking.

>> >

>> >So which is it? If DuPont can't patent the results of their research and

>> >then sell or lease those patents, why would they do the research in the

>> >first place?

>

>Roy:

>>

>> An invention is a solution to a problem.

>

>OK. Well some inventions solve a "problem" that people didn't even know

>that they had.

Yes, inventions sometimes have serendipitous effects.

>>...and there will still be people willing and able to solve them

>> -- who even enjoy solving them.

>

>But who also want to be paid to solve them.

But sometimes they don't care that much about getting paid. They want to see their solution in action. It's a creative thing, like being a parent.

>Think all those chemists would
>continue to work at that Du Pont lab if no one paid them?

They might be doing something more productive instead, like working on superior but unpatentable solutions.

>>...The purpose of patents is not so much
>> to stimulate research as to stimulate _publication_.
>
>No. Du Pont would be happy to publish little or none of their patentable
>ideas. They "publish" only what the patent requires.

??? You are agreeing with me. The patent requires them to publish, not to do research.

>College professors like to publish so they can get tenure.

Right. They don't need no steenkin' patents to make them spill everything they know.

> >...But we already
>> know that academic tenure systems at universities do a much better job
>> of _that_ than patents do....
>
>Only non-patentable research is published in academic journals.

That is false and ridiculous. Although of course, publication will often take research out of the realm of the patentable.

>> >How much promising research is on hold for lack of funding (stem
>> >cells for example)?
>>
>> In that instance, funding is not the constraint.
>
>I think it is: the lack of federal money limits research on new embryonic
>stem cell lines in the US.
>(and that probably helps the UW's WARF since they provide 5 of the available
>"approved" lines)

"Approved" lines. _Get_it_?

>> >>...What does that do to the Great Divide concept? How much
>> >> are you going to have to sock away at zero percent interest before you
>can
>> >retire on
>> >> your savings?
>> >
>> >If "interest" in the broad sense (including dividends and capital gains)
>is
>> >zero, they I say people can never be sure of being able to retire unless
>> >they become VERY rich.

>>

>> *No. It would be a fairly trivial exercise for an actuary to design a zero-interest "whole life" insurance policy that you would contribute toward during your working years, and withdraw funds from after retiring. Plug in your age, the amount in the account, and the annual amount you want to withdraw from it, and the answer pops out.*

>

>*But you also need to know how long you are going to live (withdraw).*

No, the insurance company would assume that risk, as they do with life insurance, and as pension plans do.

>*And that number (on average) keeps increasing.*

Not fast enough to worry about.

>*What's with this "no interest" business?*

Zero interest was the context. Look up about 30 lines.

>*Some sort of religion thing?*

>*Both Christianity and Islam have denounced interest as "evil",*

Judaism also enjoins the charging of interest among Jews, and interest enjoys similar disrepute in a number of other religious traditions.

>*but at least*

>*Christianity has outgrown that hangup.*

>

><http://www.geocities.com/capitolhill/4834/intrest.txt>

Interest is interesting. IMO charging interest for use of one's saved wealth is not economically or morally problematical, but banks charging interest on money they create ex nihilo is, which is why the practice has produced so many financial disasters -- and to large fortunes being acquired by people who are providing no discernible benefit to society, and often seem to be wrecking its economy.

In other cases, interest is clearly an integral component of a systematic evil, such as compelling poor people in poor countries to pay interest on loans made to their wealthy former dictators by wealthy banks in wealthy countries. IMO loans to governments should never yield interest, or be repaid. If a lender could think of nothing better to do with his money than lend it to a government, he should probably have been paying it in taxes, anyway.

-- Roy L