

## Re: The Great Divide

**Source:** <http://sci.tech-archive.net/Archive/sci.econ/2004-08/1042.html>

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**From:** Jim Blair ([jeb\\_at\\_wisc.edu](mailto:jeb_at_wisc.edu))

**Date:** 08/18/04

Date: Wed, 18 Aug 2004 15:22:31 -0500

<royls@telus.net> wrote in message news:41230b61.27233294@news.telus.net...  
> 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.*

Hi,

I have worked with research scientists in several different jobs, and I have yet to meet one that does not care about being paid.

- >....*They want*
- > *to see their solution in action. It's a creative thing, like being a*
- > *parent.*

For most, it is not a "hobby" but a job.

- >
- > > *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.*

??? If Du Pont did not pay them, and did not buy them supplies and tools (some of those are VERY expensive) they would find a job elsewhere, for someone who did pay them. And who would pay them for working on only non-patentable solutions? Probably only academic departments that have independent funding.

- >
- > > >....*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.*

??? You must first do the research (or demonstrate the idea) and then file the patent. A patent is different from a publication on an academic journal. The patent is "published" in the sense that it is on file with the Patent Office.

- >
- > > *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 if in their research they find something that is patentable, they file a patent. At the UW, there is a department within WARF that will assist you in the process. I recently attended a lecture on how to keep your notebooks

so that they will support any patents that you apply for. Documentation and witnessing, and such. Very much like we did at Du Pont, except at Du Pont it was clear that all patents belong to the company. At the UW they seem ready to split any with you in exchange for their assistance.

>

> > >...*But we already*

> > > *know that academic tenure systems at universities do a much better job*

> > > *of \_that\_ than patents do....*

??? A much better job of what? Academic research produces few patents compared to the more directed research done by corporations or individuals working on their own.

> >

> > *Only non-patentable research is published in academic journals.*

>

> *That is false and ridiculous.*

??? Name on thing that was published in an academic journal and then patented.

>...*Although of course, publication will*

> *often take research out of the realm of the patentable.*

Change that "often" to \*always\*.

>

> > > *How much promising research is on hold for lack of funding (stem*

> > > *cells for example)?*

> > >

> > > *In that instance, funding is not the constraint.*

jeb:

> >

> > *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\_?*

Those approved by the Bush administration to be able to use Federal money. That makes those 5 more valuable than they would be if federal money could be used on any and all lines of stem cells.

>

> > > >...*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.*

They may "assume the risk" but if they can't make money from the money they hold (interest), they could only "sit on the money" and hope that people didn't live long enough to get back what they paid in.

>  
> >*And that number (on average) keeps increasing.*  
>  
> *Not fast enough to worry about.*

That depends on your time frame. If it increases by 10% after you retire, you could end up short, and/or your insurance company would go broke.

>  
> >*What's with this "no interest" business?*  
>  
> *Zero interest was the context. Look up about 30 lines.*

If there a difference between "no interest" and "zero interest"? I took "no" to be = "none" = zero.

>  
> >*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.*

Yes. Religious fanatics of many kinds seem to hate interest.

>  
> >*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 --*

I say it is "supply" and "demand": people are willing to pay more than a dollar tomorrow for a dollar to spend today.  
Even if that upsets some religious fanatics.

- >.. *and to large*
- > *fortunes being acquired by people who are providing no discernible*
- > *benefit to society,*

At least in your opinion.

- >...*and often seem to be wrecking its economy.*

I say an attempt to prohibit interest will do more to wreck an economy. See Middle Ages and modern Pakistan.

- >
- > *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.*

Poor countries run by dictators are bad even without interest.

- >...*IMO loans to governments should*
- > *never yield interest, or be repaid.*

So who would ever make such a loan?

- >...*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*

So end interest by insuring that no one will ever have enough after-tax money to loan to any government? That include municipal bonds? US Treasury bonds?

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( )

jim blair (jeblair@facstaff.wisc.edu) Madison Wisconsin  
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