

Re: von Mises Institute on Henry George

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From: Les Cargill (lcargill_at_worldnet.att.net)

Date: 09/02/04

Date: Thu, 02 Sep 2004 06:31:08 GMT

royls@telus.net wrote:

> *On Wed, 01 Sep 2004 04:05:12 GMT, Les Cargill*

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

>

>

>>royls@telus.net wrote:

>>

>>

>>>*On Tue, 31 Aug 2004 08:34:43 GMT, Les Cargill*

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

>>>

>>>

>>>>royls@telus.net wrote:

>>>>

>>>>

>>>>>*On Mon, 30 Aug 2004 02:47:06 GMT, Les Cargill*

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

>>>>>

>>>>>>>*It is charging those who wish to have access to markets*

>>>>>>>*for the privilege.*

>>>>>>>

>>>>>>>*That is not a privilege. The privileged are those who are permitted*

>>>>>>>*access when others are denied it. Please try to remember that words*

>>>>>>>*have specific meanings. And charging those on one side who wish to*

>>>>>>>*deal with those on the other also charges those on the other.*

>>>>>>>

>>>>>>>*Sure it's a privilege, and that is the point.*

>>>>>>>

>>>>>>>*No, it most certainly is not, and that is the point.*

>>>>>>>

>>>>>>>*And here is where we vigorously diverge.*

>>>>>>>

>>>>>>>*I think the lesson of the Civil War, of WWI and WWII is*

>>>>>>>*that the competing state in war which can produce **in times**

>>>>>>>*of war* wins. This means less, not more interdependence on*

>>>>>>>*other nations.*

>>>>

>>>??? *Garbage. The winners in every one of those cases were the ones
>>>that had the biggest economies, whether they had more trade or not.*
>>
>>*Bingo! In those cases, the best ability to rapidly shift to wartime
>>footing in production.*
>
>
> *So it's completely irrelevant to your proposal to impoverish one's own
> country with tariffs.*
>
>

So it is completely *relevant*. Please look at what the North was doing wrt port access fees prior to the Civil War, and how tariffs and shipping bottlenecks, along with the death of Bismarck's Great Machine led to WWI.

WWI was all about guano from Chilean mines. But you knew that, right? The Junkers effected an attempt at monopolizing the fertilizer markets, first through outright banditry, then through R&D.

Tariff assessment is loosely associated with poverty, through very imprecise correlative observation. We cannot assess cause and effect from historical observation, and attempts at modelling leave too much room for uncertainty.

>><snip>
>>
>>>>*Gee, I'd love it if it really was all one world, and we
>>>>could trade unfettered. But I do not see it. When I ship
>>>>stuff across the world, I change the strategic balance of
>>>>power, and that is the business of the State.*
>>>
>>>
>>>*It's not the business of the state to punish you for benefiting its
>>>citizens.*
>>
>>*If it isn't it becomes so, soon enough.*
>
>
> *Only to the extent that the state becomes oppressive and destructive.
> See the War on Drugs.*
>
>

Which is an instrument of the Politics of Identity.

It creates a Them, punishes Them. Memetically, it's the single most powerful sociopolitical

gambit there is.

>>>>*If there is a comparative advantage, the vendor will be
>>>>able to pay the freight.*
>>>
>>>*Not if you plan to finance a government that way. You know, it's not
>>>like internal tariffs have not been proven, without exception, to be a
>>>quick route to stagnation and poverty.*
>>
>>*To the extent that they restrict flows below a critical point. I
>>beleive Holland prospered on a system of "tarrifs" (port
>>access fees) in either the 17th or 16th century*
>
>
> *No. The main advantage the Dutch had was in making their taxes
> broad-based instead of distortionary.*
>

Yes, they did. That ia precisely why I've said it should be applied broadly.

>
>>- *post*
>>*their Empire phase, anyhow. Really pre Industrial, but
>>in that transitional period. And remember, this'd
>>free up a lot of domestic revenue.*
>
>
> *Not really.*
>
>

Oh, you'd be amazed.

>>*And I'd formed, somehow, the opinion that it
>>was ultimately the inflation and poor circulation of
>>cash that caused most mercantilist woes.*
>
>
> *No.*
>
>

In complete seriousness, do you have a referecne?

I freely admit, I ain't gonna find a single book explaining this one, either.

>>*That, and
>>poor systems of finance, insurance and simple signals
>>technology.*

>
>
> *No.*
>
>

Oh, c'mon. You cannot believe that the present internationalized shipping system doesn't exhibit serious economies of scale, principally from IT?

>>*And there's all that endearing eubellient jingoism*
>>*to it.*

>
>
> *Endearing to the brainless, anyway.*
>
>

Any system that does not account for brainlessness has a Serious Problem.

>><*snip*>
>>

>>>>*When *a* Japan decides to lose trillions*
>>>>*of dollars over decades to predate on the American auto industry,*
>>>
>>>
>>>*What nonsense. The Japanese car makers are just more efficient. The*
>>>*fact that US auto company CEOs are paid about a zillion times as much*
>>>*as Japanese auto company CEOs for doing a very inferior job might have*
>>>*something to do with that.*
>>
>>*The cost per car for the CEO is much less than transport costs.*
>
>
> *Sure. But add in all the other overpaid execs, the stock options,*
> *blah blah, and it starts to add up.*

Starts to. But start again with the dealerships and work backwards.

Yes, the overpaid American auto
> *unions cost more than the overpaid CEOs.*

At a much higher return to general flows in the overall economy. Remember when I said "flows matter, accumulations don't"? it's because pools are Interesting, but the river is moreso...

> *But there are a lot more*
> *union guys benefiting from that overpayment, and they are*

> *proportionally far less overpaid than the CEOs.*

>
>

And frankly, they are more likely to spend more of their pay.

>> *"Efficient" meant (means?) a reification of medieval Samurai
>>feudalism in a business suit.*

>
>

> *Japanese companies and the education system cultivate an attitude of
> "fealty" in workers, but it's not just a modern take on feudalism.*

I know. But still...

> *It's based on the Japanese desire for strong affiliations, which
> transcends the business and political worlds.*

>
>

But s Murkin can close one eye and say "So you think yer better'n me, huh?"

Strong affiliations mean squat in the absence of identity, except *that they reinforce identity*.

>> *The market strategy was
>>to buy market share by long-load debt, effectively, then
>>the cost came due in the '90s.*

>
>

> *It was real estate lending that sank the Japanese financial system,
> not capital spending.*

>
>

That is an expression of panic in the face of a hell of a lot of empty paper really needing a three dimensional expression.

And they got boned. Hard.

Look, Drucker painted an Expressionist picture of beauty, truth and grace in perfect balance, and it resulted In That. Expressionist art was principally inspired by Eastern muses, and that was a great thing.

But the rent comes due.

This isn't a bad thing.

>>I like Drucker too, as far as it goes, but I don't hold
>>Japan as the paradigm. It's culture is too insular, even
>>if its business isn't.
>
>
> "Insular"? ROTFL!! The Japanese know about 100 times as much about
> the USA as Americans know about Japan.
>
>

I do not refer to the recall of facts as "knowlege".

>>>>it's not merely "comeptitive business practice", it's a
>>>>thinly disguised act of war – a relatively benign strain
>>>>to be sure, but it's agressive.
>>>
>>>Garbage. Do you have any idea how much better American cars are for
>>>having to compete with Japanese ones?
>>
>>Probably quite a bit. Electronics? Nooooooo.
>
>
> Yesss.
>
>

Noooo. They mixed various planes of peices of gear in merry abandon, with the insular respect for abstract efficiency trumping any hope of repair. You (I couldn't , at least) identify the power plane nor the ground plane of any Japanese design I ever saw. It was all as irreparable as an exploded artillery shell, unless you looked for smoke on the phenolic.

>>Other than Beta
>>and Nakamichi cassette decks, Japanese electronics were, and
>>are very ineven,
>
>
> Nonsense. I was astonished at how much better Japanese appliances and
> electronics were when I lives there. Ten years ahead of the US
> products.
>
>

And there's nothing wrong with that. The very concept of planned obsolescence was a Drucker thing. Find me an old Ampex tape deck and its schematics, and I could determine the intent of every part in there.

Not so with Japanese stuff. Do not get me wrong, I am rather enamored of the concept of something working, then disappearing in its own time.

But I would not share a foxhole with it.

>>where until the American consumer electronics
>>industry gradually disappeared, it produced much better stuff.

>
>
> False.

>
>
Geez, go look at EBay.

>>>>The result is that cars cost more and last longer. But
>>>>they still cost more.

>>>
>>>Garbage. In 1928 you could buy a typical residential lot for the same
>>>price as the _cheapest_ new car.

>>
>>And you can probably buy the same lot for the same as a car now,
>>all other things being equal.

>
>
> No, you cannot. The lot is now worth about ten times as much as the
> car.

>
>

The same lot, or the lot in the same approximate position in the
inhabitation/development curve. I provided numbers,
which can be defended.

>>If the lot is in New York City,
>>nooo, but in someplace at approximately the same growth curve,
>>yup.

>
>
> Nope. You are just making this stuff up. Sorry.

>
>

I couldn't make this up. Nobody is that good.

>>In suburban Texas lots are commonly going for \$20–50k, last
>>I checked. that is approximately the price of a car.

>
>
> The cheapest cars are cheaper than that, and that land was likely
> going for pennies an acre in 1928.

>

Well, gee, where?

>

>>>*The average labor cost of cars has
>>>been falling for over a century.*

>>

>>*As have all labor costs.*

>

>

> *Nope. The labor cost of education, medical care, land and government
> have all risen over the same period.*

>

>

that is because all those thing have declined in efficiency over that period. This is because they have become less exceptional.

It is really very simple – human perception is based on the exceptional.

>>*But \$3500 in the mid '70s is still
>>about 1/8 the cost of a comparable car today.*

>

>

> *And how is that different from broad inflation?*

>

>

It is slightly above average inflation. But so is basic, un... contested land.

And that contest–abilty (shudder) amounts to an expression of preference, and explains the lot of it.

Nevada is still cheap.

>>*Actually, this is sorta why I started thinking about tarriffs.
>>As the labor component goes to zero...maybe we oughta
>>slow down a bit, or at least "act locally".*

>

>

> *If we want to impoverish ourselves.*

>

>

>>>>*It is not mercantilism because it is still subject to
>>>>market forces.*

>>>

>>>*You apparently know nothing of mercantilism, either.*

>>

>>*I believe the gold was the problem, and the distortions in
>>prices due to arbitrary mismanagement of supply and demand.*

>

>

> *Like your tariff idea.*

>

>

I stated clearly that the tariffs are principally designed to derive revenue. Through relatively simple linear models, (like those used in the great Canadian cigarette debacle), we can determine points of optimum opportunity with respect to levels and fractions of drain.

It is very clear to me that Smith simply wants people to be allowed to proceed with minimal surprise. A static, background drain does not surprise.

>>*I know, it's heretical, but it might be doable.*

>

>

> *There's a difference between "doable" and "desirable"*

>

>

And I really cannot speak to that. This is a valid point.

>>*I think*

>>*it has advantages that will become apparent in the next*

>>*few years.*

>

>

> *But you are wrong.*

>

>

For a while, I am.

>>*There's fear out there and its fear based*

>>*in the ... fear of loss of identity.*

>

>

> *A carefully cultivated fear...*

>

>

And that doesn't matter. We have to deal with it.

It has color and shape, now.

>>>>> *The whole system is ultimately laissez faire, except for this
>>>>> single instange of vig.*

>>>>>

>>>>> *I.e., it's laissez faire except that it's actually robbery. Right.*

>>>>

>>>> *It's minimalist robbery of a Jungian Other, which is the
>>>> most psychologically acceptable form.*

>>>

>>> *Maybe to those who are adept at self-deception...*

>>

>> *I think one can generally distinguish between self deception
>> and statesmanship. This is the latter.*

>

>

> *Oh, no it ain't.*

>

>

It constitutes a great deal of observable,
documented statesmanship.

>>>> *And your alternate is to trade away the very meaning of
>>>> property?*

>>>

>>>

>>> *No, to refine it, clarify it, eliminate the poisonous contaminants in
>>> the current version, and establish it on the only sound and defensible
>>> basis possible.*

>>

>> *Then you have a very hard job ahead.*

>

>

> *No worthwhile project is easy.*

>

So enjoy your flight. Peanuts will be served if the weather holds.

> -- Roy L

--

Les Cargill