

Re: Don't Forget Mises -- and Dump the Third Way!

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royls_at_telus.net

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On 6 Sep 2004 08:31:39 -0700, nini_pad@yahoo.com (michael price) wrote:

>royls@telus.net wrote in message news:<4134e19a.19476988@news.telus.net>...
>> On 31 Aug 2004 03:40:54 -0700, nini_pad@yahoo.com (michael price)
>> wrote:
>>
>> >royls@telus.net wrote in message news:<412e3cca.9637554@news.telus.net>...
>> >> On Thu, 26 Aug 2004 10:29:40 -0700, "Michael Price"
>> >> <nini_pad@yahoo.com> wrote:
>> >>
>> >> >"Ron Allen" <rallen2@bellsouth.net> wrote in message
>> >> >news:eYOWc.18310\$cx.15800@bignews4.bellsouth.net...
>> >> >> Ron Allen answers:
>> >> >> In my opinion, the initial distribution of wealth
>> >> >> is itself a redistribution scheme, because those
>> >> >> who produce wealth are not the one's the wealth is
>> >> >> being distributed to.
>> >> >
>> >> > Then you should be able to show an instance of people actually taking the
>> >> >wealth away, and you can't.
>> >>
>> >> I certainly can: landowners demand wealth from producers in return for
>> >> access to what the producers would have had access to for free were it
>> >> not for the landowners.
>> >
>> > Absolute rot,
>>
>> It is fact.
>>
>> >nobody has the right to use whatever natural resources
>> >they want to without payment.
>>
>> Access to is not the same as right to use.
>>
> I fail the difference between access and right to use.

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Access is a matter of liberty. Right is a matter of morality.

>> *People can obtain the _right_ to use natural resources by compensating
>> the community for the lost opportunity.*

>

> *So in other words you lied when you claimed that: "landowners demand
> wealth from producers in return for access to what the producers would
> have had access to for free were it not for the landowners."*

No. The community, through government, administers possession and use of the land in any case, and is thus the ultimate landowner. The only significant difference between paying rent to a private landowner and paying it to the community is that the services, infrastructure, amenities and opportunities that give the land its rental value are provided by the community, and not by the private landowner.

>> *But everyone naturally has access to all natural resources, unless
>> they are forcibly denied it.*

Why do you choose to call me a liar rather than understand the above?

Never mind. I know why.

>> *> Even if you are a dedicated Georgist
>> > the user of natural resources still has to pay.*

>>

>> *The community always controls access to local resources as a matter of
>> fact.*

>

> *No they don't.*

Yes, they do.

> *Those who happen to be there and willing to defend
> it control access.*

No. They have to also be _able_ to defend it to control access.
That's the community.

> *How can the "community" control something when it
> can't even be defined?*

For the purposes of allocating possession and use of land, the community is the set of all people living under the same land allocation authority (geographic sovereign).

> *What makes one person part of the community
> and another not.*

Whether they live under the same land allocating authority.

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- >> *In a Georgist community, that control is exercised in the*
- >> *community's interest, making the community in effect the landowner*
- >> *that exacts payment from resource users (producers and consumers*
- >> *both).*
- >
- > *And how is this "community" different from the State?*

The State is somewhat abstract: the community is the set of actual people the state, as an institution, exercises its authority over.

- > *I mean why*
- > *would the community behave better than a private landowner?*

When the community recovers rent, it is recovering the value of what it provides. When the private landowner captures and retains rent, he is appropriating the value of what the community provides. Community recovery of rent is thus a value-for-value transaction, while private capture of rent is parasitism.

- > *Why is*
- > *it better that the rent on natural resources go to those who hold a*
- > *monopoly of force over the community than people who only control*
- > *those resources?*

Because the use value of those resources (rent) comes from the community.

- > *And don't kid yourself the "community"*

?? The community what?

- >> *In the current system that control is exercised, at taxpayer*
- >> *expense, for the unearned benefit of private landowners who exact the*
- >> *payments. The user in a Georgist community has to pay the community*
- >> *that gives the resource its value, not a parasite who contributes*
- >> *nothing.*
- >
- > *And what community is that? The community of Liechhardt? The*
- > *community of Sydney? The community of New South Wales? Or the*
- > *community of Australia?*

Australia is the sovereign. There is no higher land-allocating authority in Australia, and the land allocating powers exercised by the states, cities and towns are delegated ones.

- > *Actually Australia is a very export oriented*
- > *country so naturally the whole world contributes to it's value.*

No. If that were the case, land in places that have no government would be just as valuable as land in pces that do. But it isn't. It's worthless.

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>So basically rent would be a tax paid to a global government.

If there were one, it would be the highest land allocating authority.

>> *But in both cases access would be free if not for the
>> landowner, public or private.*

Please read the above. If you understand it, you will of course retract your false accusation that I lied.

>> >> *And then government takes wealth from the producers and spends it
>> >> in ways that make the land more desirable, so the productive have
>> >> to pay the landowners even more for doing nothing.*

>> >

>> > *That's not what the government generally does.*

>>

>> *Yes, of course it is, at least the reasonably honest and competent
>> governments of democratic countries.*

>

> *No it isn't.*

Yes, it just flat-out is.

>What does the right of eminent domain do to make the
>land more attractive?

It ensures that needed infrastructure, etc. will not be blocked by the privileges of private landowners. But in any case, exercise of eminent domain is such a tiny fraction of government activity that it is at best misleading to claim that it represents what government "generally" does.

>In fact it makes it a lot less attractive to
>own land or to improve it.

Garbage. The infrastructure made possible by exercise of eminent domain adds far more to the value of other land than it takes from the land it is applied to.

>> *There are exceptions, like the War on Drugs and foreign military
>> adventures, but they are few and generally unimportant.*

>

> *The war on drugs is generally unimportant?*

Well, it is important in the places where the dishonest and incompetent US government wages it. But it is not what government per se is about, and is not a major factor in the governments of most countries.

>The thousands of wars

>the State fights are unimportant?

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Honest and competent democratic governments do not start wars. The defensive wars they are compelled to fight do protect and enhance land value -- and more to the point, existing private land titles.

>*That is such a fucking insult to
>the millions who died in them I can't begin to think how to answer
>it politely, dickweed!*

<yawn> You have already forgotten the context: the reasonably honest and competent governments of democratic countries. Not aggressive dictatorships and despotisms.

>*As you see I didn't bother.*

I didn't expect any better from you, don't worry.

>*In fact the
>State does lots of things that make land less valuable like
>protectionism, arbitrary arrest, censorship, racial laws prohibiting
>people from certain professions or trade and many others.*

True, unlike fantasized libertarian utopias, no state is perfect; and not everything the state does enhances land value. But the great bulk of state activity does increase land value, as proved by the vastly higher land values where there is a state than where there isn't.

>> *However, you are correct in that extremely corrupt and tyrannical
>> governments may not make the land within their borders more desirable
>> than land where there is no government, but that is a rare case
>> indeed.
>
> Then name a government that doesn't!*

?? Doesn't what?

>> *Is land in North Korea, Myanmar or Zimbabwe really worth less than
>> land in the anarchic areas of Somalia, Western Sahara, etc.?
>
> There are no anarchic areas of Somalia or Western Sahara.*

Yes, of course there are. Your ignorance is showing.

>*Governments
>intrude in those countries all the time and where they don't terrorists
>backed by governments do.*

That is what anarchy is: the rule of a thousand tyrants. An intrusion by government or government-backed thugs is not establishment of government. A power that hasn't the power to allocate land within a given geographic area over a period of years is

not a government.

>> >> >> *Instead, the producers do all the producing, and the proprietors
>> >> >> do the all the appropriating.*

>> >> >

>> >> > *Proprietors are producers Ron, there is such a thing as indirect
>> >> >production.*

>> >>

>> >> *Some proprietors are producers. Some do nothing.*

>> >

>> > *All proprietors are producers*

>>

>> *Like your other claims, that is just flat false.*

>

> *Assertion is not evidence.*

?? ROTFL!! What is your claim but bald assertion?

>> *>because contributing capital to production*

>> *>is productive*

>>

>> *Land and other natural resources are not capital in the economic
>> sense, and are not contributed by the proprietor because they would
>> have been there, just the same, even had neither the proprietor nor
>> any previous proprietor ever existed.*

>

> *But someone would have to decide to contribute them or not.*

No. No one can possibly contribute natural resources because they are there without any help, and do not originate with anyone. They can only be allocated, not contributed.

>*Otherwise whoever grabs it first gets it and is in effect the
>proprietor.*

But still not the contributor. It should be obvious (but of course is not, at least to you) that simply grabbing something that was already there does not make one a contributor to production.

>> *Claims such as money, stocks, and debt instruments are also not
>> capital;*

>

> *They are stored value and the value was produced, such value is one
>thing needed to produced,*

No. That is why economists do not recognize debts and such as factors of production: if A agrees to pay B \$x in the future, it does nothing to increase production. He could just as well agree to pay \$10x, and the effect on production would be the same. So you are just wrong.

>*it is therefore capital, the means of
>production.*

No. That is definitely false. Paper money is not a store of wealth and does nothing to increase production. And "the means of production" includes both capital and land.

>> *and in any case, owning capital is not the same as contributing
>> capital,
>
> But it is a necessary first step.*

No, the necessary first step is production of the capital by labor.

>*Those who own it contribute it
>because they have the authority to make the decision.*

No. Having power over a production factor does not make one a contributor to production. It makes one a rent seeker.

>> *especially if the capital is already productively employed when
>> the proprietor comes into ownership of it:
>
> If it was then why did they sell it?*

??? How should I know? Ask the seller. Or maybe there was no seller, and the capital was a gift or bequest.

>> *that capital has already been contributed, with no help from the new
>> owner.
>
> But buying capital makes it more profitable to produce capital and
>thus contributes to the production of both capital and consumer goods.*

The inheritor of capital does nothing to make capital either more abundant or more productive. Indeed, it takes an act of willful refusal to prevent oneself from knowing that inherited capital is very often promptly misallocated by its new owners, _reducing_ total production.

>*Contributing capital is an expensive process and therefore workers
>might not want to do it, particularly if someone else can do it
>cheaper. This is quite likely if that person buys the capital. In
>any case the use they are putting it to might not be the most
>productive use. A proprietor is necessary to make the change.*

??? A new proprietor might just as easily allocate the capital to a less productive use. Why should he be rewarded for that?

>> *>and to do that you need someone who owns capital.
>>*

- >> *Normally, that would be the capital's producer or someone who paid him*
- >> *for producing it.*
- >
- > *Yes and what of it?*

Sometimes it isn't.

- >> *Does a thief or landowner who got the capital in return for no*
- >> *contribution also count as a "productive proprietor" in your world?*
- >>
- > *And who says that landowner got anything in return for no*
- > *contribution?*

I say he got capital in return for no contribution. He charged rent for use of resources that would have been there anyway, and used it to buy capital that would have been used productively anyway. He contributed exactly nothing, but got something. That means others who were contributing something were getting nothing.

- > *The act of establishing rights to a natural*
- > *resources is a contribution*

But the landowner does not do that. The community does. The landowner just takes advantage of it.

- > *because it makes it possible for those*
- > *resources to be used in the most useful way rather than the first*
- > *way that's convenient, regardless of whether it's the best use.*

Community recovery of land rent stimulates more productive use of land than private landowner privilege.

-- Roy L