

Re: Edward Prescott, Idiot

Source: <http://sci.tech-archive.net/Archive/sci.econ/2004-10/1694.html>

From: Igor (jjweatherby_at_houston.rr.com)

Date: 10/28/04

Date: Thu, 28 Oct 2004 05:52:51 GMT

sinister wrote:

> "Igor" <jjweatherby@houston.rr.com> wrote in message
> [news:pvRfd.3090\\$EI6.1446@fe2.texas.rr.com...](mailto:news:pvRfd.3090$EI6.1446@fe2.texas.rr.com...)
>
>> *sinister* wrote:
>>
>>
>>> "Robert Vienneau" <rvien@see.sig.com> wrote in message
>>> news:rvien-C00412.05244227102004@news.dreamscape.com...
>>>
>>>
>>>> "It's easy to get over \$200,000 in income with two wage earners in a
>>>> household."
>>>> -- Edward Prescott
>>>> <<http://www.azcentral.com/arizonarepublic/business/articles/1019Prescott19.html>>
>>>>
>>>>
>>>> Did you see the thread I started, "Fine work by our new Nobelist"?
>>>>
>>>>
>>>> I did and it was it obvious you never read the paper you were attacking.
>>>> You were asking question clearly answered in the paper.
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>>>>
>>>> Roy showed in his argument with you---in which you were utterly
>>>> destroyed---that the paper is incoherent.
>>>>
>>>>

It is incoherent to Roy because he thinks resources are only land and labor. To any trained economist the paper is very coherent. If you really think Roy made sense then you really seriously are biased against any mainstream economic theory, like Rob, or you just do not understand what is being said.

> And why should we take any of your posts seriously, given that you once
> wrote, "There is a limit interest compounds exponentially while GDP grows in

> a linear fashion." ?? (Link at

>

<http://groups.google.com/groups?q=g:thl1955457383d&dq=&hl=en&lr=&c2coff=1&selm=4xGcd.16172%24Rf4.14>

>)

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>

Because this is true. GDP growths are mean reverting meaning they are close to be constant in the long run. The misunderstanding is that economist would never do time series analysis without taking logs. That is why it is trend stationary. I forget sometimes that people do not know that. The statement is true. I even showed the formulas that back up the point that there are limits to deficits.