

Re: Economic Rent in Terms of Risk Free Interest Rate

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- *From:* Robert Vienneau <rvien@xxxxxxxxxxx>
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In article <1127274649.187696.164290@xx>, "ruetheday@xxxxxxxx" <ruetheday@xxxxxxxx> wrote:

>>My favorite arguments focus on capital theoretical problems in
>>neoclassical economics. When discussing traditional neoclassical
>>economics, I usually am not talking about arguably "unsound"
>>assumptions like the above. I am talking about mathematical
>>error.

> What would be an example of this?

Asked and answered through many posts over the years on this newsgroup.

If you really care, why not read some of the literature?

"Thus the reswitching anomaly, along with its theoretical developments and implications, has been placed in abeyance. And so it must be, for if this criticism were taken as being no less applicable to the real world than the theoretical, then it follows, as already noted, that orthodox economics is unable to make any reliable statements concerning the relationship of production to the various input markets. That is, the neoclassical vision of a market-coordinated production system, along with derivative growth and distribution theories, are all invalidated. As a consequence, the nature of the entire traditional circular flow conception is called into question...

...It is one thing to say that this conception of indirect economic management does not satisfactorily achieve its goals because of the existence of such real-world problems as bottlenecks, power, premature inflation, inflationary expectations, random shocks, ratchet and spillover effects, and