

Re: Economic Rent As Sum of Externalities

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- *From:* jmh <jmhall@xxxxxxxxxxxxxxxxxxxx>
 - *Date:* Fri, 08 Jun 2007 02:03:37 GMT
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On Thu, 7 Jun 2007 06:54:33 -0700, The Trucker in sci.econ confessed to the world saying:

"jmh" <jmhall@xxxxxxxxxxxxxxxxxxxx> wrote in message <news:slrnf6ecom.bbo.jmhall@xxxxxxxxxxxxxxxxxxxx>

On Wed, 06 Jun 2007 00:37:07 GMT, royls@xxxxxxxx in sci.econ confessed to the world saying:

No, that is not the issue here. The issue would be the same even had Smith never existed. You don't seem to understand that it is a scientific issue, not a mere matter of exegetical scholarship.

What "scientific issue"? The question of material existence of the external world is not in questions here.

The question of man having created that external world is also not in question here.

The only question here is whether or not man can individually own some of that external world and then allow other's to use it for the owner's gain. This is NOT a scientific issue outside the question of "Is that happening now or not?" Since that's NOT the question here your "scientific issue" is a red herring.

I think you are asking all the wrong questions. The answers to the questions you pose are readily apparent. As RoyL might say "A matter of objective reality". But what about the question of whether or not privatization of natural resources is a "good" thing? That puts us on the spot because it insists that we reveal

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Yes, the "can" should have been "may" or "should we allow..."

our social priorities, i.e. we must define "good"; we must define where we THINK we are going. Different people working toward different conceptualizations of "good" cannot possibly agree on the political economy that would be "best". I want equality of rights and, as much as possible, equality of opportunity as an end in itself. I do not propose that this will make people "better" or worse or that it will take them closer to some concept of God, or that it will tend to create a race of Gods or demons. Somehow I think the land ownership people have a different idea of "good" and that this is the real problem. I am not a big fan of Ayn Rand, but she is quoted as saying something to which I most heartily subscribe: "If a person or group or culture or creed wishes to believe that an afterlife will offer eternal rewards that are proportional to one's Earthly poverty, sickness, disfigurement, ignorance, and brevity of life, then a system of rules promoting Earthly prosperity, health, and longevity would be inappropriate. If, however, one seeks rules that are likely to optimize or maximize 'life on Earth,' these rules must at least be consistent with, or respect, the natures of 'life' and 'Earth'." --- Ayn Rand

So let's have it. What is your idea of "good" and how does your economic ideal play toward that "good"? I can't imagine why someone would want privatization (in perpetuity) of any natural resource. Perhaps that might be a more fruitful discussion. Is private ownership of land somehow GOOD for the individuals of a society or for the society as a whole?

First off, your ideal that natural resources will not be privatized in perpetuity is much more image than reality. Those special interests within society that currently have such disproportionate influence within government as well as the politicians will effectively be the private owners.

I don't buy the argument that government collection of the rent will be done well. The most dangerous aspect I see is that the intra-society wealth transfers that occur in market transactions will shift to political transfers. The result will be that the transfers will be less transparent, larger, more costly to produce and taken from a smaller pie.

I'm not convinced that the LTV works that well for the type of large scale production inherent in the modern world. Private ownership imparts a certain consistency or certainty for planning that is not present in the suggested approach.

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Technological advancement and dispersed ownership of land should drive whatever rent the land owner gets to a minimum within the society. I'm not convinced those same dynamics apply when land is centrally owned — and let's not fool ourselves, we're not talking about everyone owning the land but about government owning the land. Theoretically that's not supposed to matter in our society, but in reality it most certainly does.

Today individuals are largely free from the bondage of land. Creating what I see as something that will just develop into the Feudal State (it almost is already) will only serve to make us all suffer once again.

The social evolutionary processes have done a great job of eliminating bad social structures and allowing the beneficial ones to flourish. If private land ownership is as bad as claimed, let it live and then die its natural life with the replacement to the current function it provides within an economy and society as that better institutional framework emerges. That framework is not government.

jmh

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