

Re: Economic Rent As Sum of Externalities

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- *From:* The Trucker <mikcob@xxxxxxxxxxxx>
 - *Date:* Fri, 08 Jun 2007 16:41:01 -0700
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On Fri, 08 Jun 2007 02:03:37 +0000, jmh wrote:

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 is 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

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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

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 want to start right out here, like instantly, and say that you have not given us a glimpse of what your ideal might be. Are you stiving for maximum production, maximum freedom, maximum liberty, or simple economic efficiency? I understand your disillusionment with government, but I don't agree that the way to solve the problem is to dump government.

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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-social wealth transfers that occur in market transactions will shift to political transfers.

I do not have a lot of respect for intra-social wealth transfers (otherwise known as inheritance of daddy's money, and political payoffs).

The result will be that the transfers will be less transparent, larger, more costly to produce and taken from a smaller pie.

You are, of course, entitled to your opinions. But I hasten to add that this is what they are. I do not share these opinions and I most certainly do not share these opinions if OUR House of Representatives is increased to a proper size to safeguard the common people from the lobby, and the rich folks. The solution to the problems of government as we have it today is more representatives looking out for the common people as agents of the common people. And lest you proceed to tell us that the common people are too stupid to govern themselves I suggest you read my signature.

I'm not convinced that the LTV works that well for the type of large scale production inherent in the modern world.

I am much interested in LTV (labor theory of value), but I think you are probably meaning to type "LVT" for (land value taxation).

Private ownership imparts a certain consistency or certainty for planning that is not present in the suggested approach.

There is a halfway measure that insulates certain resources from direct political mayhem and that is the notion of "trusts".

Technological advancement and dispersed ownership of land should drive whatever rent the land owner gets to a minimum within the society.

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Ricardian land rent is unaffected by dispersed ownership. And you are right. Within a well informed rational society privatization of rent should be minimal. What does this tell us about our current politicians and their bought and paid for "neoeconomists"? What does it tell us about sales taxes and income taxes? Can anyone spell LYING?

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.

Actually most of us are talking about a much higher tax on land value as a substitute for other taxes. I am, of course, going further than that, but that is MY opinion as opposed to the consensus.

Theoretically that's not supposed to matter in our society we in reality it most certainly does.

It can be fixed by expanding OUR House of Representatives.

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.

Oh horsecrap, on both of those opinions.

The social evolutionary processes has 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 it's 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.

This is where we really disagree. A proper government is a solution as opposed to a problem. IMHO the US system AS RATIFIED was a good one. We need to actually do it the way it was insisted upon by those who ratified the Constitution. What we have is a mistake or a deliberate sabotage. Most people are totally unaware of "Article the first" (the actual FIRST amendment to the Constitution set forth AHEAD of the "Bill of Rights"

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BECAUSE of the importance placed on it by those who agreed to ratify the Consitution). The "Federalists" would have been unable to get ratification without promising this amendment. As the text read in the version that went to the states for ratification ONE WORD WAS CHANGED BY THE ARISTORATIC SENATE AND THE HOUSE LET IT STAND. That one word completely reversed the intent of the amendment and annuled the promise made by the Federalists. Thus the amendment was not ratified and should not have been ratified as worded. The amendment was destroyed before it went to the states. "Article The First" would have set the MINIMUM size of the House of Representatives in respect of population growth and thus, the MAXIMUM size of electoral disrticts. In the final stanza the words "no less than" were changed and it read "no more than" and that was the end of that.

http://www.thirty-thousand.org/pages/article1_history.htm

<http://www.thirty-thousand.org/pages/QHA-04.htm>

We need to double the membership of the House to FIX what is wrong with OUR government. The neocons and the neoeconomists want to throw out the baby with the bath water by destroying what is left. Aristocrats ALL.

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"I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education." – Thomas Jefferson

<http://GreaterVoice.org>

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