

# Re: Economic Rent As Sum of Externalities

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- *From:* The Trucker <[mikcob@xxxxxxxxxxxx](mailto:mikcob@xxxxxxxxxxxx)>
  - *Date:* Sun, 10 Jun 2007 12:11:29 -0700
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On Sun, 10 Jun 2007 03:12:24 +0000, jmh wrote:

On Sat, 9 Jun 2007 17:22:53 +0100, Andy F. in sci.econ  
confessed to the world saying:

"jmh" <[jmhall@xxxxxxxxxxxxxxxxxxxx](mailto:jmhall@xxxxxxxxxxxxxxxxxxxx)> wrote in message

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

There's no reason to suppose that it should. In fact it may well do the  
opposite. Any rise in labor productivity will lead to an increase in land  
rent, other things being equal.

But other things are not equal and the classical  
theory being promoted here also argues that  
technology will reduce the rents earned.

Two things: Rent is never "earned". And technological development and  
capital development in fact DOES reduce scarcity rents. At the same time,  
population increase will be increasing scarcity rents. This is why  
conservatives hate technology and love organized religion.

However

innovation seems to have the opposite effect on Ricardian rents and  
monopoly rents. The effect on the total fabrication and smoke blowing  
bullshit called "opportunity cost" is probably nothing.

The mistake is thinking that land is what captures all

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the rents within a society.

Few would ever make such a claim. Nonetheless, it is the 500 pound gorilla.

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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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