Ec. 270 Syllabus etc.

$$S_0 = \frac{-P_0 + \sum\left[(1+c)(\quad)^{-n}\right]}{1 - \frac{S_n}{S_0}(1+i)^{-n}}$$

$$S_0 = \left[-P_0 + \sum \quad\right] + S_n(\quad)^{-n}$$

$$S_0 - S_n(\quad)^{-n} = \left[\quad\right]$$

$$S_0 - S_0\frac{S_n}{S_0}(\quad)^{-n} = \left[\quad\right]$$

$$S_0 = \frac{\left[\quad\right]}{1 - \frac{S_n}{S_0}(\quad)^{-n}}$$

$$S = \frac{a}{i - g}$$

$$S_i = a + S_g$$

$$S = \frac{a + S_g}{i}$$

6- week Sched.

✓ mems, +bk

Week 1

Rdgs

✓ Graff, "2 Cents"
✓ Robinson MNS + p.
✓ Knight 1. Some Fallacies. Social Cost 2. Fallacies ST
✓ Wicksteed. Scope + Method
✓ J B Clark. Mobility of Prop. in Land
✓ a. Johnson. Case vs. the ST.
~~Schwartz~~. Currie - Murphy - Sch.
Stigler Prod. + Dis.
Worcester,
✓ Bronfenbrenner, 1971, Chap. on ~~Rent~~ The two rents.

2

✓ F. Knight - Fallacies in ST.
✓ C. Sparks -
E. Seligman Tax exemptions
H. Davenport Theoretical Issues
J. Jensen
J. Stockfisch
Fisch, Wittle (defer)
✓ R. Ely Land Spec.
O. Mayfield. by M. G.
M. Steele
✓ a S. Johnson. Case vs. ST
H. Davenport, Enchanted Fuss
✓ F. Edgeworth, Recent Schemes

Week Rdgs.

3 ✓ L. Darwin
✓ E. Cannan
✓ E. Seligman Essays
E. Kauffman M.E., Allegmany
F. Walker, Conc.
A. Marshall
A.C. Pigou
E. Seligman

4. Ricardo. Rent
Taxes
Cap. Thy.
H. von Thünen
M. Faustmann (critic. + refuted reswitching)
P. Samuelson
H. Simon
F. Babcock
R. Hurd
R. Musgrave
& Jevons, Wicksell, Cap. Thy.

Week

5

Rdgs

J. Bue

R.M. Heij

J.S. Mill

P. Douglas

E. Wms.

E. Howard

H. Hotelling

R. Frisch

I. Little

L.C. Gray

H. Hotelling

M. F.

ERT

Grunnelia

Atk.

Oil & Gas Tuca.

Week 6

Rdgs

H. George
H. Brown
L. Walras
J. Commons
F. Quesnay et al.
K. Wicksell
L. Harriss
C. Clark
M. G.
D. Netzer
W. Vickrey
A. Smith

(Rent + elast. of prodn.)

Syllabus

4 weeks on hist. of thought

1. Critics + abolishers of classical rent.

a. Neo-classical founding fathers: factor symmetry, jelly capital + o.c.
J. B. Clark.

Distr. of Wealth, or various micro tests.

Paper vs. H. G.

Debate vs. BB

" " F. Walker

Wicksell's rendering of exhaustion theorem.

Stigler

Rolph, Disc. MP

P. Wicksteed

Scope + Method, AER rdgs.

V. Pareto,

Cours d'Economie Politique

a. Johnson

Rent in Modern Ec. Thy.

F. Knight

Some Fallacies... Social Cost

Fallacies in the Single Tax

F. Knight (cont.)
Capital + Interest
v. Hayek

G. Stigler,
1941, Ch. 7

Dean Worcester
Rdg.
3 English writers.
Rdg.

A. ~~Inst. Land Econ.~~ Applied ecs. + law
~~R. T. Etc~~
R.L. Ratcliff
Net Income Can't be Split

H. Doran + Minman

H.C. Carey

Shannon, H.L. + H.M Bodfish

Willford King
Earned + Unearned Inc.
Single Tax Complex Analyzed

F. Knight (again)
Fallacies in Single Tax

c. Collectivist approaches

K. Marx
Kapital, Ch. 33
" p. 172
Poverty, p. 138

C. Spahr
The Single Tax

B. Russell

d. Inelastic Supply of K
C. Spahr (again)
E.R.A. Seligman
Tax Exemption thru Tax Caps.

H.J. Davenport
Theoretical Issues in the Single Tax

J. Jensen,

g. Stockfisch

e. Uniformity as a substitute for inelasticity

R. Frisch,

IMD Little

f. Social fns. of land spec.

R. Ely, ~~Land Spec.~~
Land Spec.

O. Hufschmidt
Review by M.G.

H. Steele

D. H. Hibbard (Use of unearned Δ)

A. S. Johnson ~~(Option)~~
Case vs. the Single Tax

H. J. Davenport (again)
Exhausted Farms + Exhausting Taxes.

F. Y. Edgeworth
Recent Schemes ..

g. Local taxes as a Tragedy of the Commons: distorted locational incentives.

L. Darwin

E. Canaan

A. Marshall

h. Negligibility of rent

Seligman
Essays in Taxes.
(Rev. by Anderson + Fulling)

E. Kannan

J. Jensen (again)

T. Schultz

i. Wide & equal distr. of rent

Johnson, Spahr & Seligman (Lagunin)

F. Walker

Letters to F. Leslie's Ill. Newspaper

2. Writers w. mixed, shifting positions.

a. ~~F. W~~ F. Walker

b. A. Marshall

c. A. C. Pigou

d. K. Marx (Lagunin)

e. E. Seligman

3. Non-committed detached + superficious writers

a. Ricardo

b. H. von Thünen

c. M. Friedmann

d. P. Samuelson

e. Herbert Simon

f. F. Babcock

g. R. Hurd

h. F. Hayek

i. R. Musgrave

4. ~~Positive~~, Tentative, limited, ~~assertive~~ partial + illusive.

a. H. Wald.

b. John Dewey

c. R. M. Hare

d. H. Grover

e. ~~Anglo~~ Saxon "missionaries". The free advice trip.

f. Rent takers w. unresolved reservations

i. Mill

ii. Paul Douglas

g. ~~Rent taxes~~ Public claim on rent in special industries + conditions.

i. E. Wms.

Fred. Fairchild

ii. E. Howard

iii. H. Hotelling

iv. Mines.

L. C. Gray

J. Ise

H. Hotelling (again)

A. Scott et al.

R. Gaffney

v. Public lands

D. Gardiner

M. Crommelin et al.

vi. Exotic resources

Water. Gaffney

Environment. Kneese

Radio. Lewis

5. Land Tax Advocates

H. George

Henry G. Brown
Ecs. of Taxn. Ch. VIII, IX.

L. Walras

J. R. Commons

J. Zangule et al.

Quesnay, Turgot, du Pont, de Mirabeau et al.

Wicksell

Turvey

Harris

Colin Clark

Gaffney

Netzer

Vickrey

Smith

Topics, rent course.

A. By authors

1. Classical Econ.
   Locke. Quesnay - Turgot, Smith,
   Ricardo, Mill, Senior
   Walras
2. ~~Neo-classical~~ Transitional compromisers.
   Jevons, Marshall, Walker, Wicksell

3. Neo-classical reaction. Changing the terms of reference.
   Clark, Wicksteed, Pareto, Knight, Hobson
   Marc?
4. Modern revival.

B. Topics.

Rent -- defn. (whole course) (comes at end)
Land: defn, characteristics.
Neo-classical as anti-macro. Re-order the pieces, a from factors to commodities.
Partial eq.
Lump factors. a) fully Cap. b) Lump ~~rumours~~.
Static etc.
Rent as residl. vs. rent as MP of land.
" as excess over o.c.
Law
Ak. S. B. 200 work, e.g.

Functions of rent.

Allocate. Avoid tragedy of commons

Size a extension. Rent & ecs. of scale

Marshall

Harriss, W. Morton

Timing

Replant.

Exhaustion

Min. social opptn. costs.

Von Thunen, Hurd

Determine valence for variable factors, for full empl.

Guide public works.

Intensity

What is urgnl?

Ripening

Rent + L.V.

Rent-seeking

Rent + taxn.

Rent as taxable surplus

Direct vs. indirect taxn. of rent

Sources of rent

Nature, p.w., + synergy

Kinds of land +/or synergy.

Measuring rent

Decrg costs + negative rents.

Thus solve problem of MP not reckoning dist. shares.

Rent as a cost, in price theory.

Rent as basis of the state

Restricted distr. of rent as defense vs. immigrants.

Rent as base or magnet for credit rationing

Concn. of receipt of rent

Is rent prior or residual.

Geogenic capital

Supply elasticity

In what senses is land different?

Uniformity as a sub. for land tax.

Rent as taxable surplus

Adequacy.

Internalizers of rent as fearing + forefending direct rent collection.

Rent as basis of political struggles, e.g. over energy taxes.

Rent in cycles.

Alt. means of taxing rent.

Rent taxes, as constitutive synthesis of mkt. + collective principles. (All ecs. are mixed. This is just a better mix.)

Syllabus

A. Hist. of Thought 4 weeks.

1. Negative a. Neo-classical recog., or "changing the order of units."

Clark

Factor symmetry

Jelly capital (from Marx)

O.c. Replace macro w. micro

Wicksteed

Factor symmetry, o.c., micro, Cobb-Douglas

Pareto. Ref. unit

a. Johnson

F. Knight. Choice in all

b. Applied ecs., farming

Ely

Ratcliff

Carver Shannon Bodfish

W. King

Knight on morality & law

c. Collectivist

Marx

Spahr

Russell

d. Inelast. supply of L

Spahr
Seligman, T. S. Adams.
J. Jensen
Stockfisch, Rolph
Hamburger + Chicago.

e. Uniformity
Frisch
Little

f. Social func. of rent
Ely, ripens, cost
", elast. supply of land.
Hurd.
Clark, Hibbard, rent-seeking
A. Johnson
Davenport + Seligman, soil exh.
Bank of credit, Edgeworth

g. Tragedy of commons
Marshall
Canaan

h. Inadequacy
Spahr, Seligman, Kinnan, Jensen

i. Regressivity
Johnson
Walker

Wed., Mar. 31

Topics

1. Factor symmetry. Rent not a surplus

J. Robinson, MVP

Wicksell Lectures, pp. 108 - 33

Role of NYC

Comments by Fetter + Patten on Clark's aims.

2. ~~Jobby~~ capital as an essence of value, indep. of form, an aggregate, fixed, immortal

J. B. Clark, Cap. & Its Earnings

Moral basis of property in Land

F. Knight, Cap. & Int.

v. Hayek

Stigler, ch. 7

(Marx)

"Capl. vests itself in land."

3. Rent as o.c.

a. Johnson

P. Wicksteed Scope + Method.

4. F. Knight brings it all together, founder Chi. School

No need to reconcile indiv. + social view, they are the same. o.c. = social cost.

Killing is an ec. process.

Stigler follows.

Friedman not so sure.

Economics 207
Resource Economics

Winter Quarter 1979
Mr. Adam Rose

Purpose: This course is intended to provide a rigorous foundation for the analysis of environmental problems and remedial policies. Course material will range from general topics such as welfare maximization, market failure and economic policy-making to more specific models of pollution externalities and corrective instruments. Students are expected to study the readings in detail and are encouraged to pursue a critical appraisal of them.

Competence in theory at the level of a first quarter graduate microeconomics course is a prerequisite, as is some background in environmental economics at either the graduate or undergraduate level.

Course requirements:

Midterm	33%
Final	67%

I. Introduction and Overview

Fisher, A. C. and Peterson, F. M. "The Environment in Economics," JEL, March 1976.

Nath, S. K. A Reappraisal of Welfare Economics, Chs. 1, 2, 5, 6.

*Chipman, J. S. and J. C. Moore, "The New Welfare Economics," IER, Oct. 1978.

*Fair, R. C. "The Optimal Distribution of Income," QJE, Nov. 1971.

II. The Environment as a Public Good

Samuelson, P. A. "The Pure Theory of Public Expenditure, REStat., Nov. 1954.

Head, J. G. "Public Goods and Public Policy," Public Finance, Vol. 17, No. 3, 1962.

Krutilla, J. V. "Conservation Reconsidered," AER, Sept. 1967.

Mäller, K. G. Environmental Economics, 1974, Ch. 5.

*Baumol, W. J. and Oates, W. E. The Theory of Environmental Policy, 1975, Ch. 16.

*Getz, M. and Y. Huang. "Consumer Revealed Preference for Environmental Goods." REStat., Aug. 1978.

III. Externalities and Environmental Pollution

Buchanan, J. M. and Stubblebine, W. C. "Externality," Economica, Nov. 1962.

Baumol and Oates, Chs. 4 and 6.

*Mishan, E. J. "The Relationship between Joint Products, Collective Goods and External Effects," JPE, May/June 1969.

*Mishan, E. J. "The Postwar Literature on Externalities, An Interpretive Essay," JEL, March 1971.

*d'Arge R. and E. K. Hunt. "Environmental Pollution Externalities and Conventional Wisdom: A Critique." Environmental Affairs, June 1971.

IV. General Solutions to Market Failure

Lipsey, R. G. and Lancaster, K. "The General Theory of Second Best," REStud., Jan. 1957.

Davis, O. A. and Whinston, A. "Piecemeal Policy in the Theory of Second Best," REStud., July 1967.

Baumol and Oates Chs. 7.

*Ayres, R. V., Kneese, A. V. and d'Arge, R. Economics and the Environment, 1970, Ch. 3.

V. Specific Policy Measures for the Allocation of Environmental Resources

A. The Market Solution: The Assignment of Property Rights

Coase, R. H. "The Problem of Social Cost," Journal of Law and Economics, Oct. 1960.

Mishan, E. J. "The Economics of Disamenity," NRJ, Jan. 1974.

Dick, D. "The Voluntary Approach to Externality Problems," JEEM, Feb. 1976.

*Demsetz, H. "Toward a Theory of Property Rights," AER, May 1967.

B. The Planning Solution: Public Provision

Herfindahl, O. C. and Kneese, A. V. Economic Theory of Natural Resources, Chs. 5, 6, 7.

*Mishan, E. J. Cost-Benefit Analysis, 1971.

*Lange, O. On the Economic Theory of Socialism, 1938.

McIntyre, R. S. and J. R. Thornton. "Environmental Divergence: Air Pollution in the USSR." JEEM, August 1974.

C. Direct Controls: Standards and Prohibitions

Kneese, A. V. and Bower, B. T. Managing Water Quality, 1968, Ch.

Baumol and Oates, Chs. 10 and 11.

D. Fiscal Measures: Taxes and Subsidies.

Herfindahl and Kneese, Chs. 8, 9, 10.

Baumol and Oates, Ch. 12.

Rose-Ackerman, S. "Effluent Charges: A Critique," CJE, Nov. 1973.

*Buchanan, J. and G. Tullock. "Pollutors' Profits and Political Response: Direct Controls vs. Taxes," AER, March 1975.

VI. General Considerations

A. Equity

Dorfman, N. "Who Will Pay For Pollution Control," NTJ, March 1975.

Baumol and Oates, Ch. 13.

*Weitz, K. L. "Equity Impacts of Proposals for Federal Product Charges." JEEM Dec. 1977.

B. Uncertainty

Adar, Z. and Griffin, J. M. "Uncertainty and the Choice of Pollution Control Instruments," JEEM, Oct. 1976.

Greenwood, P. and C. A. Ingene. "Uncertain Externalities, Liability Rules, and Resource Allocation," AER, June 1978.

*Herzog, H. "Economic Efficiency and Equity in Water Pollution Control: Effluent Taxes and Informational Requirements," JEEM, Feb. 1976.

Smith, V. K. "The Measurement of Mortality--Air Pollution Relationships," Environment and Planning, March 1976.

C. Technological Change

Magat, W. "Pollution Control and Technological Advance," JEEM, March 1978.

*Norgaard, R. and D. C. Hull. "Environmental Amenity Rights, Transactions Costs and Technological Change," JEEM, December 1974.

*Smith, V. K. "Detrimental Externalities, Nonconvexities and Technical Change," Journal of Public Economics, Aug. 1975.

*Baumol, Ch. 8.

D. Adjustment and Enforcement

Harford, J. D. "Adjustment Costs and Optimal Waste Treatment," JEEM, Oct. 1976.

Downing, P. and W. Watson. "The Economics of Enforcing Air Pollution Controls," JEEM, November, 1974.

*Downing, P. and G. Brady. "Implementing the Clean Air Act," NRJ, April 1978.

E. Spatial Considerations

Mathur, V. K. "Spatial Economic Theory of Pollution Control," JEEM, June 1976.

Menz, F. C. and J. R. Miller. "Local vs. National Pollution Control," AER, March 1977. (See also note by Lerner).

*Kohn, R. E. and D. C. Aucamp. "Abatement, Avoidance, and Nonconvexity," AER, December, 1976.

F. Temporal Considerations

Dolde, W., et al., "Dynamic Aspects of Air Quality Control Costs," JEEM, December 1977.

Forster, R., "Pollution Control in a Two-Sector Dynamic General Equilibrium Model," JEEM, December 1977.

*Denotes optional readings.

Econ 207
Resource Economics

Winter Quarter 1980
Mr. Adam Rose

Reading List Supplement

VII. Natural and Man-Mad Hazards

A. Introduction

Rose, A. "Toward a Theory of Economic Disruption and Response," Working Paper Series No. 31, Department of Economics, U. of California, Riverside.

Kates, R.W. "Natural Hazard in Human Ecological Perspective: Hypotheses and Models," Economic Geography, 47, (4) (1971), 438-451.

*White, G.F., and J.E. Haas, Assessment of Research on Natural Hazards (Cambridge, Massachusetts: The MIT Press, 1975).

B. Alternative Decision-Making Approaches for Low Probability Events

Starr, C. "Social Benefit versus Technological Risk," Science, 165, (3889) (1969) 1232-1238.

Burton, I. and R. Kates, "The Perception of Natural Hazards in Resource Management," Natural Resources Journal, 3, (1) (1964), 412-441.

*Simon, H. "A Behavioral Model of Rational Choice," QJE, February (1955).

White, G.F., P. Slovic, and H. Kunreuther, "Decision Processes, Rationality, and Adjustment to Natural Hazards," in Gilbert F. White (ed.), Natural Hazards, (New York: Oxford University Press, Inc., 1974), 187-205.

Pyle, D. and S. Turnovsky. "Safety-first and Expected-Utility Maximization," REStat., February 1970.

Ehrlich, I. and G.S. Becker, "Market Insurance, Self-Insurance, and Self-Protection," Journal of Political Economy. 80, (4) (1972), 623-648.

C. Adjustment to Hazards

Kunreuther, H. "Economic Analysis of Natural Hazards: An Ordered Choice Approach," in Gilbert F. White (ed.), Natural Hazards (New York: Oxford University Press, Inc., 1974), 206-214.

Kunreuther, H. "Limited Knowledge and Insurance Protection," Public Policy, 24 (2) (1976), 227-262.

Howe, C.W. and H.C. Cochrane, "A Decision Model for Adjustment to Natural Hazard Events with Application to Urban Snow Storms," Review of Economics and Statistics, 58, (1) (1976), 50-58.

Krutilla, J.V., "An Economic Approach to Coping with Flood Damage," Water Resources Research, (2) (1969), 183-190.