

“The Limit of Human Felicity Attained...”

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Standard Estimates of Economic Growth

- William Nordhaus: Do Real-Output and Real-Wage Measures Capture Reality? <http://tinyurl.com/dl20161210f>
- Standard measures tell us that real wages in the North Atlantic grew at: an average rate of:
 - 1%/year in the 19th century
 - 2%/year in the 20th century.
- But looking at the price of light suggests that growth has been much faster

Date	Labor Force (10 ⁶)	Growth Rate of Labor Force	Y/L (10 ³ /year)	World GDP (10 ⁹ /year)	Growth Rate of GDP
-48000	0.05		\$2.00	\$0.1	
-8000	2.5	0.010%	\$1.50	\$3.8	0.009%
-1	85	0.044%	\$1.00	\$85.0	0.039%
800	150	0.071%	\$1.00	\$150.0	0.071%
1500	255	0.076%	\$1.05	\$267.8	0.083%
1800	375	0.129%	\$1.30	\$487.5	0.200%
1870	600	0.671%	\$1.66	\$994.0	1.018%
2016	3,700	1.246%	\$30.72	\$113,654.0	3.246%

<https://www.icloud.com/numbers/028J9eQAOaUWgCAxHMbzMiiPw>

“True” Estimates of Economic Growth

- Measured:
 - Bottom third like our pre-industrial ancestors: \$1000/year incomes “subsistence”
 - Middle third: 15x
 - Top third: 75x
- “True”:
 - Bottom third: “subsistence”
 - Top third: 75 x 32 = 2000x subsistence
 - Middle third?

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Is 2000x Subsistence Reasonable?

- What level of income in the past would you need to make you as materially well-off as average people are now?
- What level of income now would make people as materially well-off as average people 200 years ago?
- From Edward Bellamy: *Looking Backward*

Looking Backward

"Come, then, into the music room," she said, and I followed her into an apartment finished, without hangings, in wood, with a floor of polished wood. I was prepared for new devices in musical instruments, but I saw nothing in the room which by any stretch of imagination could be conceived as such. It was evident that my puzzled appearance was affording intense amusement to Edith.

"Please look at to-day's music," she said, handing me a card, "and tell me what you would prefer. It is now five o'clock, you will remember."

The card bore the date "September 12, 2000," and contained the longest programme of music I had ever seen. It was as various as it was long, including a most extraordinary range of vocal and instrumental solos, duets, quartettes, and various orchestral combinations. I remained bewildered by the prodigious list until Edith's pink finger tip indicated a particular section of it, where several selections were bracketed, with the words "5 P.M." against them; then I observed that this prodigious programme was an all-day one, divided into twenty-four sections answering to the hours. There were but a few pieces of music in the "5 P.M." section, and I indicated an organ piece as my preference...

Looking Backward II

"I am so glad you like the organ," said she. "I think there is scarcely any music that suits my mood oftener."

She made me sit down comfortably, and, crossing the room, so far as I could see, merely touched one or two screws, and at once the room was filled with the music of a grand organ anthem; filled, not flooded, for, by some means, the volume of melody had been perfectly graduated to the size of the apartment. I listened, scarcely breathing, to the close. Such music, so perfectly rendered, I had never expected to hear.

"Grand!" I cried, as the last great wave of sound broke and ebbed away into silence. "Bach must be at the keys of that organ; but where is the organ?" ...

"There is nothing in the least mysterious about the music, as you seem to imagine. It is not made by fairies or genii, but by good, honest, and exceedingly clever human hands. We have simply carried the idea of labor saving by cooperation into our musical service as into everything else. There are a number of music rooms in the city, perfectly adapted acoustically to the different sorts of music. These halls are connected by telephone with all the houses of the city whose people care to pay the small fee, and there are none, you may be sure, who do not...

Looking Backward III

“The corps of musicians attached to each hall is so large that, although no individual performer, or group of performers, has more than a brief part, each day's programme lasts through the twenty-four hours. There are on that card for to-day, as you will see if you observe closely, distinct programmes of four of these concerts, each of a different order of music from the others, being now simultaneously performed, and any one of the four pieces now going on that you prefer, you can hear by merely pressing the button which will connect your house-wire with the hall where it is being rendered. The programmes are so coordinated that the pieces at any one time simultaneously proceeding in the different halls usually offer a choice, not only between instrumental and vocal, and between different sorts of instruments; but also between different motives from grave to gay, so that all tastes and moods can be suited.”

"It appears to me, Miss Leete," I said, "that if we could have devised an arrangement for providing everybody with music in their homes, perfect in quality, unlimited in quantity, suited to every mood, and beginning and ceasing at will, we should have considered the limit of human felicity already attained, and ceased to strive for further improvements."

Catch Our Breath...

- Comments?
- Questions?

