

Re: Laffer Curve

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On Sun, 4 Jul 2004 21:50:22 -0500, "smithaa02" <asdf@asdf.net> wrote:

><royls@telus.net> wrote in message news:40e840f5.1793414@news.telus.net...
>> On Sat, 3 Jul 2004 18:13:06 -0500, "smithaa02" <asdf@asdf.net> wrote:
>> >The context is changed. The landowner before had leveraged the peasants
>to
>> >the max, to which when the peasants' wealth increases through taxation
>they
>> >are more able to pay the higher prices, so the landowner does just that.
>>
>> Nope. Wrong. Flat wrong as a matter of objective fact. If you had
>> more money, would it somehow make you willing to pay more than \$5/yr
>> for something that would allow you to increase your annual income by
>> at most \$5?
>
>You make it sound as if they buyer is the only person determining price
>which is misleading.

The sellers can't determine price because
_they_can't_influence_supply_. That is very much the point.

>The sellers of the means of production will have more
>competition for their products because the have-nots have more wealth after
>the taxes,

While the haves have less. Total purchasing power is unaffected. You
are wrong again.

>thus meaning they (the owners) can raise prices because of their
>increased bargaining power.

Nope. Their bargaining power is _reduced_, because the non-landowners
are no longer so dependent on access to land.

Everything you say is wrong.

>> >To which changes when the peasants have more money as obtained from tax
>> >revenue.

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>>

>> *Nope. Flat false. Elasticities are completely unaffected.*

>

>*The wealthier an area is, the higher the prices. Compare prices of necessities in Africa to the US, or rural areas to urban areas, or smaller cities to metropolises and you will see this to be true.*

Nope. Many prices are higher in rural areas because of transportation costs, efficiencies of scale, etc. Prices