

## Re: von Mises Institute on Henry George

**Source:** <http://sci.tech-archive.net/Archive/sci.econ/2004-08/1236.html>

---

**From:** Grinch (*oldnasty\_at\_mindspring.com*)

**Date:** 08/21/04

Date: Sat, 21 Aug 2004 06:27:27 GMT

On Fri, 20 Aug 2004 17:21:39 -0400, "RueTheDay" <ruetheday@outgun.com> wrote:

> "Grinch" <oldnasty@mindspring.com> wrote in message  
> news:c6mci0p1beu2qlnd2dln4dltec2f37c42i@4ax.com...

> You are having enough trouble grasping basic economics.  
> If this were rocket science, you'd probably be arguing that gravity was a  
> function of volume rather than mass or some other nonsense.

Maybe so!

OTOH, in economics I know that the market price system serves the function of allocating items effeciently to the parties across the market to whom they are most valuable -- not merely of spurring new production, which seems to be the only function some Georgiststs think of for it.

>> When determining market price, it's not the total existent supply of  
>> anything that is reflected in its price as determined by the  
>> supply-demand diagram -- it is the amount of supply that is brought  
>> **\*\*to the market and marketed\*\*** by sellers.  
>  
> Land is not "brought to the market" by sellers;

So who puts up the for "sale or lease sign" in the real estate office, and puts the signature on the contract to pay the 6%, and so on?

Who solicit bids to push them up to market level, haggles over the price, decides to hold out for more, picks the winning one, if any?

The land itself? I didn't know inanimate objects were up to all that!

>it simply exists.

Well, hey, **\*that's what I said\*!**

The land is just an inanimate object that exists there — so it's the seller who has to go through all the trouble and expense involved in \*bringing it to market\* and discovering its full market price.

You said I was wrong, now you say I was right, make up your mind!

\*Someone\* has to do all that marketing work on the selling side to generate market prices — if not the sellers, who?

> *Shoot the seller, and the land will still be there.*

And unless another seller appears for it, it will be \*off the market\*, which will affect the market price and allocation of land compared to if the seller wasn't shot and it stayed on the market, eh?

> *Shoot all of the employees of a  
> car company and no cars will be produced.*

And the ones that \*were\* produced and are still sitting in inventory won't get sold either, right? Which will change the market price and allocation compared to if they were. Eh?

>  
>> *And that amount is \*most definitely\* affected by the profit motive  
>> that exists for doing so.*  
>>  
>> *If there is no profit motive, so the supply line goes straight up from  
>> the origin, well then .... ;-(*  
>  
> *I've already proven you wrong on this.*

Bah! ha! ha!

You proposed a line with a horizontal slope for a situation when price was fixed at one point! \$0.

And then you corrected me by saying while I dumbassedly said quantity produced would be zero, as seen where the demand line crosses the vertical axis right above zero, because that's where supply is with \$0 price, REALLY, with \*correctly derived\* lines, the quantity produced would be seen where the demand line crosses the Y axis, which is the vertical axis, immediately above zero, for a quantity produced of zero!!

Boy, do I ever sit corrected! LMAO ;—)

And with this boneheadedness you claim you have \*proven wrong\* the notion that a \*profit motive\* increases the efforts of sellers to work to generate true maximum market prices.

Gee whiz!! ;—)

>> *If you want to see "hoarding" of land, just set the incentive for  
>> bringing it to market to \$0 (or negative). Duh.*  
>  
>*That would be true if not for the fact that for each parcel of land that you  
>hoard you will have to pay a tax on its rental value. How convenient of you  
>to leave out half of the equation.*

What rental value??

With a 100% tax on rent, as you specified in your other post, what dummy is going to do *\*any\** work to generate information about the rental value of his land, when he gets no rent on it so any effort is a loss.

And with no potential lessors doing anything to generate rental values, what are your rental values going to be?

How convenient of you to leave reality out of your equation. ;-)

Hey, would *\*you\** put a whole lot of work into selling something for no less than a best price worth exactly \$0 to you, when it took you a bunch of effort to find that price?

>> *>Rothbard should have stuck with playwriting.*  
>> *>His, "Mozart Was a Red" piece was very entertaining.*  
>>  
>> *Yeah, it is something when people get just full of themselves and go  
>> on and on as if they know so much more than they do, eh?*  
>  
>*Are you talking about yourself?*

Nope!

Inanimate objects find the highest market prices for themselves all by themselves. ;-) Bwah!

Deep profound lesson of the day: The price system functions to allocate goods among users. If you pound the price system with a sledgehammer into a very different shape, the *\*allocation\** will change even if the quantity of goods allocated does not. And in this case the change will not be for the better.