

Re: Land, Labour and Capital Taxation....

Source: <http://sci.tech-archive.net/Archive/sci.econ/2005-01/0643.html>

From: Igor (jjweatherby_at_houston.rr.com)

Date: 01/11/05

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royls@telus.net wrote:

<Roy's Gibberish deleted>

>>Not all land

>>will be sold at ANY price. The price has to be high enough for the land

>>owner to WANT to sell. As price rises more landowners are willing to

>>sell.

>

>

> Except that that is the *_exact_opposite_* of what is actually observed

> in practice: as land prices rise, *_fewer_* landowners are willing to

> sell, just as expected in a collectible market with perfectly

> inelastic supply. You clearly know *_absolutely_nothing_* about this

> issue. *_Nothing_*.

>

>

What you are saying here is NOT perfectly inelastic. That would mean the SAME QUANTITY IS OFFERED AT ALL PRICES. If you argument is true the SUPPLY OF DEMAND WOULD LESS THAN PERFECTLY ELASTICITY AND POSSES A NEGATIVE ELASTICITY NOT ZERO ELASTICITY.

A perfectly inelastic supply would not mean less land is offered on the market at higher prices. This would meand the elasticity is < 0 not 0 . Elasticity of supply is the percentage change in Quantity supplied divided by the percentage change in price. Perfectly inelastic means Q does not change with price and therefore the percentage change in quantity is 0 . What you argue is NOT consistent with perfectly inelastic demand or supply. It implies that the tax will be shared by the landowner and renter not solely paid by the landowner.

Learn some economics and learn what elasticity means.

>>This means quantitiy supplied is responsive to price and land is

>>not in perfectly inelastic supply.

>

>

> You are misusing the term, "quantity supplied," and it in fact is

> *_not_* responsive to price.

>

You just said it is. You said as prices rise PEOPLE SELL LESS LAND. If this is true Quantity supplied is negatively related to price and there the elasticity is less than 0 not 0.

>

>>*I am not saying just because Hitler supported a land tax it is bad. The
>>Nazi party actually did a few good things for Germany, not as many as
>>they did bad. The bad Nazi party did definitely outweighed the very few
>>good things they did. That does not mean say for instance building a
>>national highway system for the purpose of national defense is evil just
>>because Hitler did so. I just seriously question your true motivation
>>for the argument and suspect by your anger and need to throw insults
>>that it may come from support for and propoganda fed by a Neo-Nazi movement.*

>

>

> *Outrageous and disgraceful.*

>

Well it certainly is not coming from economic knowledge when you make a statement that when prices rise people sell less but the elasticity of supply is perfectly inelastic.

> *The system they profit by is the root of most evil, including the
> evils of fascism and socialism.*

>

This coming from someone who seriously proposed the government siezing all land.