

Re: novel argument against taxing rents

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- *From:* royls@xxxxxxxx
 - *Date:* Sat, 08 Apr 2006 18:53:32 GMT
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On Sat, 8 Apr 2006 00:33:37 -0400, "tonyp" <tonyp@xxxxxxxxxxxxxx> wrote:

"Les Cargill" <INOCargill@xxxxxxxxxxxx> wrote

But that goes back to the old question – what is earned and what is unearned? That question seems resistant to objectification.

Defining what is "earned" is a mug's game. Tony Soprano and his crew consider the money they steal and extort to be "earned".

?? You want to let crooks and parasites justify their unearned incomes and the harm they inflict on everyone else by redefining the terms, eliminating the concepts needed to identify the truth? Been there, done that. It's called "neoclassical economics."

The only reason we care about dividing incomes into "earned" and "unearned" is because we foolishly allow our government to tax them differently.

Garbage. You could not be more wrong. The foolish part is letting them tax earned incomes at all, rather than making them get all their revenue by taxing unearned incomes 100%. Earned income is the measure of what the recipient contributes to society. Unearned income is the measure of what society contributes to the recipient for doing nothing. Which one should we be taxing? Hmmm. Decisions, decisions...

The standard theory is that taxing returns to capital at the same rate as wages would inhibit capital investment. But is that assumption correct? If correct, does it in any sense optimize capital investment?

Re: novel argument against taxing rents

By accepting dishonest definitions, you are allowing your mind to be turned into an instrument of your own destruction. The return to genuine capital investment is not_earned, because genuine capital investment makes a contribution to production. It is economic rent that is unearned.

It surely does not maximize capital investment. Cap gains tax cuts do not seem to have done a bit of good for the savings rate of the US.

Capital gains may be either earned or unearned, and savings may be invested in genuine capital that contributes to production or in rent collection privileges that only drag on the economy.

You are allowing your mind to be turned to your own destruction by accepting definitions designed to prevent you from thinking about what is really going on.

In the aggregate, and on net, we are not investing, because we are not saving.

Wrong. We are not investing in genuine capital that enhances production because the people getting most of the surplus income are idle, privileged parasites, not the productive.

Does anybody here believe that if we eliminate cap gains tax altogether we will reverse the trend toward dis_saving?

As I explained above, the capital gains tax is a red herring, because it taxes two opposite things, same as the property tax. You will never understand any of this as long as you continue to use definitions designed to make you accept your enslavement as just and necessary.

— Roy L

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