

RENT AND PRICE - THE REAL ISSUE By S. TUCKER (London, England)

In IUN No. 12. Gaston Haxo uses a very ingenious and contrived argument to refute my statement that rent comes out of total price and not unit price. The greatest concession that could be made to Mr. Haxo's explanation is that while he may have established his own theory of unit price, he has not disposed of mine! Our two theories explain a situation: one is contrived, the other is natural, and I suggest that Mr. Haxo's is the former.

It is of course possible to spread the surplus rent over the unit price of each article sold thus reducing the "costs" of each unit. The same could be done with any extra ability of labour or of capital (new invention). But such manipulations do not alter the economic facts.

Prices are determined at the margin of production and if the selling price of units produced there is say one shilling, then quality for quality the price will also be one shilling on superior lands. Since rent does not - and indeed cannot - enter into unit prices on the margin, how can it enter into the same unit prices on superior land? If rent is as George and Ricardo defined it, then it is a surplus of quantity.

The whole point of establishing that rent is not part of price or does not affect price is to prove that a tax on land values cannot be shifted on to price and Mr. Haxo's arguments are not helpful, achieve no useful purpose and tend to confuse the issue.