

By JAN J. POT (Lunteren, Netherlands)

"Rent does not figure into the price of goods," says Steven Cord. But the only source from which a shopkeeper can pay the rent is with the money he gets over the counter from the customers paying the price of the goods.

The phenomenon really is, that prices of goods in a high-rent down-town shop are the same (or often even less) than in a low-rent shop in the country. Take the economic rent and both shopkeepers will have equal opportunity. As S. Sevenster says, "rent is the equalizer."

Now if we suppose that somewhere in the community there is a shopkeeper on free land for which he has to pay no rent at all, then he sets the price for every shopkeeper in the community. Of course the rent downtown is paid by the customers, paying the prices of goods, but this rent as such does not affect the prices of the goods.

So it is really correct to say that "rent does not figure into the price of goods," but this expression needs an extensive explanation so that the meaning of the phrase can be understood. It would be worthwhile to seek a better way of saying it. Communicating our wisdom to an innocent listener needs an improved wording.

- 8 -

GEORGIST JOURNAL - SUMMER 1979