

**PUBLICATIONS OF THE AMERICAN
ECONOMIC ASSOCIATION. THIRD
SERIES, VOLUME III. RENT IN
MODERN ECONOMIC THEORY:
AN ESSAY IN DISTRIBUTION**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649690534

Publications of the American Economic Association. Third Series, Volume III. Rent in Modern Economic Theory: An Essay in Distribution by Alvin Saunders Johnson

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

ALVIN SAUNDERS JOHNSON

**PUBLICATIONS OF THE AMERICAN
ECONOMIC ASSOCIATION. THIRD
SERIES, VOLUME III. RENT IN
MODERN ECONOMIC THEORY:
AN ESSAY IN DISTRIBUTION**

PUBLICATIONS
OF THE
AMERICAN
ECONOMIC ASSOCIATION

THIRD SERIES, VOLUME III

PUBLISHED FOR THE
AMERICAN ECONOMIC ASSOCIATION
BY THE MACMILLAN COMPANY
NEW YORK
LONDON: SWAN SONNENSCHERIN & CO.
1902

CONTENTS OF VOLUME THREE, THIRD SERIES.

NUMBER.	PAGES.
1. PAPERS AND PROCEEDINGS OF THE FOURTEENTH ANNUAL MEETING, Washington, D. C., December 27-30, 1901	1-400
2. THE NEGRO IN AFRICA AND AMERICA. By Joseph Alexander Tillinghast.....	401-638
3. A HISTORY OF TAXATION IN NEW HAMPSHIRE. By Maurice Henry Robinson.....	639-872
4. RENT IN MODERN ECONOMIC THEORY. By Alvin Saunders Johnson	873-1007

PUBLICATIONS
OF THE
AMERICAN ECONOMIC ASSOCIATION

THIRD SERIES.
VOL. III, No. 4.

ISSUED QUARTERLY.
PRICE, \$4.00 PER YEAR.

RENT
IN
MODERN ECONOMIC THEORY:
AN ESSAY IN DISTRIBUTION.

BY
ALVIN SAUNDERS JOHNSON, A.M.

NOVEMBER, 1902.

PUBLISHED FOR THE
AMERICAN ECONOMIC ASSOCIATION
BY THE MACMILLAN COMPANY,
NEW YORK.
LONDON: SWAN SONNENSCHIEIN & CO

1042.00
O con 760.1
1903



Gratis

Copyright, 1903, by
AMERICAN ECONOMIC ASSOCIATION.

PRESS OF
ANDRUS & CHURCH,
ITHACA, N. Y.

PREFACE.

It is the belief of the author of the following study that the essential elements of the theory of rent are familiar to all serious students of economics. Present differences in point of view are due, not to ignorance of these elements, but to the fact that authorities disagree as to the proper emphasis which should be laid upon the various aspects of the problem. It is believed that by placing the points at issue in juxtaposition, and by paying due regard both to self-consistency and to relevancy to theoretical needs, it will be possible to approximate a satisfactory view of the problem. No attempt has been made to trace to their original sources the ideas discussed in the following pages. Usually they are the common property of whole schools; and if one author has been cited rather than another, it is because that author seemed to be the best available representative of the idea in question.

That the positive views here advanced are largely based upon the theories of Professor J. B. Clark will, of course, be obvious to every reader. Acknowledgement of indebtedness is further due to Professors E. R. A. Seligman and F. A. Fetter, who have read this study in manuscript and have offered many valuable suggestions both as to form and matter.

ALVIN S. JOHNSON.

Columbia University.

CONTENTS.

	PAGE.
CHAPTER I.	
THE ECONOMIC SURPLUS	1-18
§ 1. Relativity of economic analyses, 1—§ 2. Surplus income, 3— § 3. The <i>produit net</i> , 4—§ 4. Surplus from the point of view of his- torical materialism, 6—§ 5. Surplus energy and progress, 8—§ 6. Sur- plus of satisfaction or of utility, 9—§ 7. The dynamic surplus, 13—§ 8. Pseudo-surplus, 15—§ 9. Surplus as a purely economic concept, 17.	
CHAPTER II.	
LAND AS AN INDEPENDENT FACTOR IN PRODUCTION.....	19-45
§ 10. Basis of early distinction between land and capital, 19—§ 11. Insufficiency of the distinction based on origin of capital in labor, 21. —§ 12. Extension and position as the fundamental attributes of land, 24—§ 13. Relation of land value to cost, 25—§ 14. Analogy between cost of land and cost of capital, 31—§ 15. Possibility of increasing economic land, 33—§ 16. Distinction between land and capital in dy- namic theory, 35—§ 17. Theoretical need of distinction between land and capital, 40—§ 18. Summary, 43.	
CHAPTER III.	
RENT AS UNEARNED OR EXPLOITATIVE INCOME.....	46-64
§ 19. Popular view of rent as unearned income, 46—§ 20. Tests of earned incomes, 48—§ 21. Confusion between necessary and earned income, 51—§ 22. Rent a necessary income, 53—§ 23. View of rent as exploitative return, 55—§ 24. Analysis of productivity, 57—§ 25. Rent regarded as an income transferred from the consumer, 62.	
CHAPTER IV.	
RENT AS A DIFFERENTIAL OR RESIDUAL INCOME.....	65-83
§ 26. Rent not due to differences in land or powers of land, 65— § 27. Dependence of differential doctrine upon the dogma that rent does not enter into price, 72—§ 28. Differential method of isolating specific product, 72—§ 29. The "intensive" differential analysis, 75. —§ 30. Why the differential analysis has been applied to land alone, 77—§ 31. Income to monopoly factors, 81.	