

Re: Smith: ground rents and land rents

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- *From:* Les Cargill <INOCargill@xxxxxxxxxxx>
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royls@xxxxxxxxxxx wrote:

On 18 Aug 2005 17:13:53 -0700, "ruetheday@xxxxxxxxxxx"
<ruetheday@xxxxxxxxxxx> wrote:

When Adam Smith wrote, "Both ground-rents and the ordinary rent of land are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own."
what precisely did he mean by "ground-rents" and "ordinary rent of land."?

"Ground rent" means the land rent. The "ordinary rent of land" means rent in the vernacular sense which includes improvements.

IMO the ordinary rent of land would be rent received from tenants in return for use of the land net of improvements, while ground rent is the economic rent of the land, which can also be captured by the owner directly -- e.g., a plantation owner can collect the ground rent by employing an overseer to run his plantation rather than letting the land to tenants.

-- Roy L

I am skeptical of just how helpful this is in enabling those who do not understand rent, to understand rent.

If I may, rent is simply gain from sources other than those which can be commonly agreed on as "earned".

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But this is also problematic, as it requires a rigorous definition of "earned". We might define "earned" in terms of "rent".

But that would be circular.

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Les Cargill

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