

CHAPTER 9 — VALUE OF GENERAL OR PARTICULAR THINGS

Value has of course its origin in the feeling of desire. But the only measure of desire it can afford is akin to the rough and ready way of measuring sorrow which was proposed at a funeral by the man who said: "I am sorry for the widow to the amount of five dollars. How much are the rest of you sorry?" Now, what value determines is not how much a thing is desired, but how much anyone is willing to give for it; not desire in itself, but the desire to possess, accompanied by the ability and willingness to give in return.

Thus it is that there is no measure of value save competition or the higgling of the market, a matter that might be worth the consideration of those amiable reformers who so lightly propose to abolish competition.

It is never the amount of labor that has been inserted in bringing a thing into being that determines its value, but always the amount of labor that will be rendered in exchange for it. Nevertheless, we properly speak of the value of certain things as being determined by their cost of production. But the cost of production that we thus refer to is not the expenditure of labor that has taken place in producing the thing itself, but the expenditure of labor that would now be required to produce a similar thing — not what the thing itself has cost, but what such thing would now cost.

The desire to obtain, which renders men willing to undergo exertion, is, save in rare cases, not the desire for an identical thing, but the desire for a similar thing. Thus, a desire for wheat is not the desire for certain particular grains of wheat; but desire for wheat generally, or wheat of a certain kind.

Thus the point of equation between desire and satisfaction, or as we usually say, between demand and supply, tends in the case of

things that can be produced by labor to the cost of production — that is to say, not what the production of the thing has cost, but the present cost of producing a similar thing. Desire remaining, whatever increases the amount of labor that must be expended to obtain similar things by making them will thus tend to increase the value of existing things; and whatever tends to decrease the cost of obtaining similar things by making them will tend to decrease the value of existing things.

But there are some cases in which the desire for a product of labor is not a desire for a similar thing, but for a particular and identical thing. Thus, when that great genius and great toady, Sir Walter Scott, carried off a wine glass from which George IV had drunk, it was to satisfy a desire for that particular glass, which had been honored by the lips of royalty. Where such a desire is felt by only one person (or one economic unit), as where I or my family may value a chair or table or books which once belonged to someone we loved, our valuation does not affect its economic or exchange value, except perhaps as it might make us loath to part with it at its true exchange value. But where more than one person has this desire, which is the case where the possession of a particular article comes to gratify ostentation, it acquires an exchange value which is not limited by the cost of producing a similar thing. Thus, an original picture by a dead master, or an original copy of an old edition of a book, which identically cannot now be produced by any amount of exertion, may have a value not limited by the cost of production. And this may rise to any height to which sentiment or ostentation may carry desire.

The cases I have here taken to illustrate the principle have but small practical application, though they are continually called to attention, and any theory of value must include them. But the principle itself has the widest and most important applications,

which steadily increase in importance with the growth of civilization. The value that attaches to land with the growth of civilization is an example of the same principle which governs in the case of a picture by Rafael or Rubens. Land, which in the economic sense includes all the natural opportunities of life, has no cost of production. It was here before man came, and will be here so far as we can see, after he has gone. It is not produced. It was created.

And it was created and still exists in such abundance as even now far to exceed the disposition and power of mankind to use it. Land as land, or land generally — the natural elements necessary to human life and production — has no more value than air as air. But land in special, that is, land of a particular kind or in a particular locality, may have a value such as that which may attach to a particular wine glass or a particular picture or statue; a value which unchecked by the possibility of production has no limit except the strength of the desire to possess it.

This attaching a value to land in special — that is to say, land in particular localities with respect to population — is not merely a most striking feature in the progress of modern civilization, but it is, as I shall hereafter show, the consequence of civilization, lying entirely within the natural order, and furnishing perhaps the most conclusive proof that the intent of that order is the equality of men. Where land is monopolized and the resort of population to unmonopolized land is shut out either by legal restriction or social conditions, then the desire to use particular land may be based upon the desire to use land generally, or land the natural element; and its strength, measured in the only way in which we can measure the strength of the desire, the willingness to undergo toil and trouble for its gratification, may become, when pushed to full expression, nothing less than the strength of the desire for life itself, for land is the indispensable prerequisite to life, and “all that a man

hath he will give for his life.”

But in every case the value of land, consisting in the amount of exertion that can be commanded from those who desire to use it by those who have the power of giving or refusing consent to its use, is in the nature of an obligation to render service rather than in that of an exchange of service.