Cost, title, and price

In itself, land has no cost value. Nobody ever made a square inch of land. If you are now thinking, "But there is made land," the phrase means that some form of labor has been applied to a particular site.

Cost means human effort. If you think in terms of "cost of land," what you are thinking about is payment for title to the land. Title is a legally created privilege, which could be a good one but is now applied most improperly.

"Title" is proper, just, and fair when it is applied as meaning "the right to exclusive use after payment of land rental." It is improper, unjust, and unfair when it is applied as meaning "the legally created and conferred individual
privilege of collecting (for individual benefit) a publicly created value."

Land titles always and only describe sites with boundaries. There are sites out in far parts of the world that have no value whatever, simply because no people are there. Immediately they are populated, land values appear and rise.

"Price" is an altogether different thing. When we read in the newspapers that land prices have gone up, we take the phrase for granted, even construing it as favorable. Yet all that it really means is that, while contributing nothing himself, someone is going to be able to say, "Pay me more to get out of your way."

Land prices have gone up. What does that mean? Why do land prices go up? Does it cost any more today to make an acre of land than it cost ten or one hundred years ago, or could anyone make an acre of land then or today? Of course it means that land values have gone up.

Land values have gone up. What could that mean but that locations have become more desirable? Locations certainly couldn't become more desirable because they suddenly developed, out of nothing, some quality they did not have before. And now, of course, you are thinking: "Yes, but suppose you discovered gold or oil, or found that certain plants would grow. Wouldn't that raise the value?"

Before answering that question it must first be recognized that while that may be true of a great many pieces of land, it is not the case with vast areas—for example, New York City. Business locations there have become more desirable because the opportunity to do business is greater where
there are more people, and the convenience of living near where you do business has made certain home areas more desirable.

The opportunity to do business does not flow from any other cause than an increase in the number of people. As the population grows, the opportunity to go into business grows. As the opportunity to go into business grows, the need for a suitable site grows. A suitable site usually means a place where you have the least difficulty in doing business with the greatest number of people. Therefore, land value, which is really land-title value, is location value, and location value is based on nothing else but the presence of the people. Therefore, location value is people value. Land, land-title, site, location, people—it is all one value: people.

Now, to answer the question regarding the presence of potentially valuable raw material. It must first be understood that minerals (gold, oil, water, iron, uranium, gas, copper, etc.), the natural forests, and the power of descending water are all part of the bounties of nature for which no man can claim credit or reward, and all require the touch of labor. And be reminded that "labor" includes all man's efforts: from scratching his head to determine whether he will invest a million dollars, to spitting on his hands preparatory to grasping a shovel.

But it is people that make oil valuable—not the "owners" of an oil-well site. And it is people that make gold valuable—not the "owners" of gold mines. And it is people that give value to a forest—not the "owner" of the forest.

These people need not be on the precise location. The
people of Stockholm and Copenhagen give value to the
great water power that drives electricity generating plants
in Harspranget six hundred miles to the north.

Of course the drillers of an exploratory oil well (the
capitalists, the management, and geologists) should be
richly rewarded in proportion to the great risk in profes-
sional reputation and the enormous financial risk. Paren-
thetically, it might be noted that this does not apply to
offset wells and that sensible taxation would doubtless
reduce the forests of unnecessary wells in most fields.

The prospector who discovers gold or any mined mineral
should also be rewarded sufficiently to stimulate pros-
ppecting. Perhaps in such cases, where pioneering and dis-
covery are involved, something like a patent covering a
period of years might be established, taking the form of a
remission of the land-rental increase that would be the re-
sult of the discovery.

In economics, all the bounties of nature are comprised in
the classification: land. And all the activities of men are
comprised in the classification: labor.

And in all common sense, land value is people value.

Once we grasp this idea, we realize that every individual
—and this includes every baby born in your local hospital
today, as soon as the doctor picks him up by his little feet,
slaps his little fanny, and starts him yelling to close his little
ductus arteriosus—adds value to the land.

The presence of people raises public costs as well, but the
point is that the mere presence of people of whatever
degree of self-support or lack of it raises land values. It is
probably true that the type or nature of the people has some
effect. The higher their wealth and productivity level or average, the greater the desirability of location among them, but it is their presence that in the end makes "land values go up."

It is frequently claimed that it is the presence of the public that gives everything value, not only the land; but the difference between land value and every other value is that the presence of people is the sole cause of land value. The presence of the public also makes shirts valuable, but the presence of the public, solely, doesn't create the shirts. Some individual or some group had to contribute labor, capital, and enterprise as well. It costs something to supply a shirt. It is interesting to try to list all the people who as silkworm tenders and teamsters and bookkeepers and warehouse builders and weavers and pattern designers and dye makers and so on and so on had something to do with turning out one necktie.

To make the land? No one at all.

Is it not reasonable to say, then, that:

The private collection of land rental, a publicly created revenue, is wrong?

The public confiscation of privately earned income is wrong?

Is it not also reasonable to say that our proper procedure—in fact, our duty—is to:

Publicly collect the land rental, the true public revenue?
Leave privately earned income in the earners' hands?