

bring different labours to an equality by referring to the price paid for their results, is to beg the whole question. Assume that things are valuable and variously valuable, and one may pronounce that the labour spent on them will be correspondingly valuable; but the previous question is—Why are the products so variously valued? The hold which the Labour Theory took in last century can be explained only by its introduction of a moral idea making results (prices) depend on that which makes and elevates man, namely, Labour. But it certainly would make Value something very different from Human Valuation. (Note in passing that this theory is not to be confounded with the Cost of Production theory, which, indeed, is the other—the Supply—side of the true theory.)

Life as the Common Third.—When Adam Smith said that water had great value in use, and diamonds scarcely any, he suggested life as the common third. It might, indeed, be possible to draw out a “natural order” of values—a hierarchy of things according to their power of sustaining an average human life. An animal or a Crusoe might value things in this way. It is evident that in prehistoric times the ox was adopted as the standard because of its measurable potentiality in this respect. But, in any community that we know, “life” is too complex to afford a basis; not only does “living” become intellectual, moral, æsthetic, but goods naturally availing to life, becoming plentiful, notoriously lose their value. This, however, suggests the true answer.

Utility as the Common Third.—The common third is Utility. Jevons’ words, in his introduction to the *Theory of Political Economy* (1871) put this succinctly. “Repeated reflection and inquiry have led me to the somewhat novel opinion that *Value depends entirely upon Utility*. Prevailing opinions make Labour rather than Utility the origin of value; and there are even those who