in terms of supply and demand four separate forces, each in turn the resultant of many minor yet effective forces.[1] Applied to the different sides of the ratio, these forces may be expressed thus. A. Those affecting the commodity side

(1.) forces which tend to increase the demand for commodities
(2.) " " " " decrease " " " "
(3.) " " " " increase the supply of "
(4.) " " " " decrease " " " "

B. Those affecting the money-metal side.

(1.) forces which tend to increase the demand for the money metal
(2.) " " " " decrease " " " " " "
(3.) " " " " increase " supply of " " "
(4.) " " " " decrease " " " " " "

Any theory which purports to give a correct statement of the causes affecting the price level must take into account all of these different forces. To the extent to which it fails in this, to that extent is the theory unreliable and at fault.

Having established a test let us put the Quantity of Money theory to that test and see wherein it merits recognition or to what extent it falls short of the full requirements. Stated in its simplest form that theory is that the "Quantity of Money

1. For the effects of possible combinations of these forces. see article on Quantity Theory of the Value of Money. March 1896. p. 147.