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Quantity of money and prices.

Among other functions which money has come to enjoy, is the important one of a common denominator of value.[1] Commodities of all kinds, have, under the present economic conditions, their values expressed in terms of money. This expression of values in terms of money has been designated price.[2] From the nature of things it will thus appear that price, in its essence, is but the expression of a ratio, the ratio between commodities on the one side and the money metal used as a denominator of value on the other. A ratio being the relation of two contrasted substances, it is clear that whatever effects either of these substances will alter ~~their relation~~ positions, and so change the ratio. Applying this to the price ratio, we see, that whatever affects commodities on the one side, or the money metal on the other will ~~tend to~~ alter their relative positions and so affect price. An analysis of the general forces which affect either side will ~~reveal~~ disclose

1. Jevons. Money & the Mechanism of Exchange. p. 5
2. Prof. Laughlin — Lectures