

will immediately and necessarily affect price. If only a certain quantity of a product can possibly be procured, and a greater quantity is sought for, the price is what a sufficient number of persons to take the whole supply are willing to give rather than not have the article. If a *certain* supply can be procured at any given cost of labour, but the quantity can only be increased by a greater expenditure of labour, then all that is consumed will have for its price the amount of labour expended on that portion, however small, which requires the greatest cost to produce it; for it is clear that no one would exchange the article for less than *the labour he had expended* in producing it; and whilst *one* who assists in supplying the market requires a certain price, all the others feel themselves equally entitled to it,—their power of producing their share of the supply at less cost, is a natural advantage of which they of course avail themselves.

Two remarks may be needed to guard what has been stated from misapprehension. 1st. That capital being nothing else than accumulated results of labour employed for further production, the degree in which it has contributed to the production of the article does not affect what has been affirmed. Capital contributes to the goodness and cheapness of very many things, but does not alter the natural laws which determine price. It is indeed quite true that the price of commodities produced by the union in various proportions of capital and labour, will be, according to those proportions, affected by the changes separately produced by competition or otherwise in the value of each; and these circumstances would explain peculiar changes of price in certain commodities, and afford reasons for probable success or failure in certain kinds of production in particular situations, but they would not withdraw these commodities from the dominion of the general laws respecting exchange, and what belongs to the special cases does not require investigation in reference to our present subject.

2nd. The exchange being direct of products themselves, or being accomplished by the intermediation of what we call *money*, cannot any otherwise than nominally affect price. What we call money is itself a commodity. Paper can have no value worth speaking of but as a convenient mode of handing about a right to a certain quantity of gold; and the gold itself is appropriated and brought to market by human industry, and finds its value like all other things. Because it is eminently suited for the purpose, portions of it are used in exchange; but we know when price varies, that gold growing