the terms of a given substance. These facts were already apprehended, though imperfectly, by the classical economists. Experience forced them to consider labor as the substance of value; but to exalt labor was to depreciate capital, and condemn profit, so they fell back on the shibboleths of "supply and demand," "economic rent," "the reward of abstinence," "rent of ability," etc., to justify the exploitation of labor.

Marx, of course, had still to explain how one commodity with many hours of labor came to exchange with a commodity containing less.

To say that labor, governed by time, is the substance of exchange-value, is to assert that one hour's labor is equal to that of any other, and to affirm that the amount of labor in a shilling's worth of ordinary matches is the same as that contained in a shilling toy at a West End bazaar, when it is patent to all that the matches represent at least ten times as much labor as the other.

Furthermore, labor-power being a commodity, that also should, approximately at least, attain to an even price, whereas it varies as 1 to 100.

These facts seemed to destroy the basis of Marx's labor equation, which implied a determination of equal quantities.

The price-form of value solved this difficulty for Marx, for it showed him that it turned all commodities into imaginary pieces of gold, and then measured them by means of their weight. An ounce of gold is, of course, equal to any other ounce of gold, and it must necessarily follow that on the average the amount of labor in one ounce of gold is equal to that contained in any other. The price-form of commodities, notwithstanding any variation in their cost of production measured by labor, conforms to all the conditions laid down by the laws governing comparisons, and enabled