

sell if prices are high, will lead us to a decisive simplification of the theory of markets, based on the consideration of buyers and sellers as a homogeneous group arranged and graduated on a single principle. But the explanation and elaboration of this conception cannot be anticipated here.

Our theory of markets once complete, all the rest is straightforward; but again it must be by attending to resemblances rather than to differences that we advance to the solution of the problems of "distribution." Wages, rent, interest, profits, etc., will be found to resolve themselves into mere questions of special markets, so that, strictly speaking, there is no more room for a separate theory of rent or a separate theory of wages than there is for a separate theory of the price of boots or a separate theory of the fees of a classical coach. If we mean by theory a system of general truths dealing with generalised facts, as distinct from the isolated factors and influences proper to some concrete phenomenon or group, then there can be no theory of rent, interest, or wages; there can be but one theory of distribution, and that the theory of the market.

We may attempt to develop this thought a little further. A man decides that a certain book and a certain article of clothing are each worth a guinea to him, but no more. If he can get either of them for that sum, or for anything less, he will purchase it; if not, not. This man has established an equality between the book and the article of clothing, and it is on such equalities or inequalities that he bases his whole administration of resources. Equality implies that the equal things have been reduced to a common measure. They are balanced against each other, therefore, by considering them as homogeneous magnitudes. In what sense are they such, and how are we to arrive at their common measure? Obviously not by dwelling on the specific nature of the services which the one article renders in clothing the body, and the other in clothing, feeding, or otherwise gratifying the mind, but by dwelling on the fact that both alike satisfy certain wants, or minister in a defined degree to the vital necessities and impulses of the purchaser. In this sense they may be regarded as substitutes for each other. A man cannot (conveniently or adequately) clothe himself in a book, or educate himself on