tainly not charge so much as to discourage people from buying them.

Price Decided by Supply and Demand.

The market price of an article is decided by the equilibrium between supply and demand. It must approximate to the figure at which the demand of the consumer is sufficient to absorb all of the product. On the other hand, market price tends to react upon supply and demand. The most ordinary instance of this is when farmers give up producing a certain crop which has been selling at unremunerative prices. This commonly causes a scarcity of that particular crop, with higher prices, and it is said that farmers of greater than ordinary shrewdness will often continue to plant that crop in the expectation of this result.

N.B.—The next lesson will deal with production. In order that they may be able to understand it, students are particularly requested to make themselves thoroughly familiar with the economic terms used above. While the lessons are complete in themselves, students may, for supplementary reading, refer to Seligman's Principles of Economics, part 1, chap. 1, and part 3, chap. 1; to Marshall's Economics of Industry, book 1, chap. 1, and book 2; also to Gide's Principles of Political Economy, book 2.