

volved in doing this, he must receive at least his cost of production, not necessarily on every article he makes, but on his whole product. If producers of that particular commodity are scarce and at the same time there is a great demand for it, he will probably receive a great deal more than his cost of production. This was the case with the bicycle makers about fifteen years ago and with the automobile makers a year or two ago. But this leads producers in other lines to give up their trades and go into this; the final result is that production in this line expands to meet the demand and profits decline. If, on the other hand, producers of the commodity are many in number and demand for it is at a low ebb, the producer's reward tends to go even below his cost of production. Then some of the producers go into other work, the quantity of the commodity produced decreases, and consequently the producers are once more able to set a price equal to or greater than the cost of production.

It is, indeed, a commonplace of political economy that profits in all trades tend to a uniform level for men of about the same grade of ability, because men are always looking out for an opportunity of going into a highly remunerative occupation, such as auto-building, and any occupation which pays unusually high profits will probably attract so many other producers that in course of time the market will be over-stocked in a highly skilled trade. However, the first producers will for some time have a practical monopoly of the production, because it will take other producers years of effort to get a large body of trained men working harmoniously together to produce their wares. It will take years of advertising to build up a reputation for the new-comers' goods in opposition to the established reputation of the old. Thus the first men in the field have, in all probability, amassed a fortune during the period when they were the only producers. The makers of important patented articles are in a somewhat similar position. They are monopolists who can charge what they please for their products, but will cer-