

of the first writers in this country to treat the subject at all definitely and to give it ^{any of} the prominence which it has since received. His ~~main~~ remarks in this connection are therefore of importance. "When," he says, "the materials consumed are gathered from distant lands and the products in turn are distributed widely to consumers not known to the producer, and are sold largely upon credit; when, moreover, a few simple standard styles give way to ever-varying fashions, in material, in form, in color; in such a state the entrepreneur becomes a necessity of the situation. He performs a function which is indispensable to a large and varied production and for so doing receives a remuneration which we call profits." Also later on he speaks of the entrepreneur as furnishing "the technical skill, commercial knowledge and powers of administration, assuming responsibilities and providing against contingencies; shaping and directing production and organizing and controlling the industrial machinery. He advances another step when he says that this entrepreneur may be a person other than the owner of capital."

There can be no question but that in modern industry, in capitalistic production this function is exercised by some one person. But the difficulty arises when we discover that in some instances this person, the entrepreneur, is a hired official receiving a definite salary and in other instances the capitalist himself who not only receives a return on his capital as interest, but