

BEHIND ECONOMICS

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Graduate Student Reviews a Changing Order From a Common-Sense Point of View

Economics is a subject about which very little is known by the vast majority of people and this fact is, in our opinion, one that is surely to be regretted. It is a noteworthy fact that people go about their daily tasks, whether it is in business life or otherwise, with no notion as to what are the best means of solving their economic problems. As a consequence, we find that the great masses of people do not have any organized system of handling their finances.

To be sure it would be presumptuous for us to say that in order for a man to live prosperously he must be able to comprehend economics from its very beginning to its present trends, because that is not true. We do contend, however, that for the best interest of man at present and the swiftest furtherance of his future interest he must have a comprehensive knowledge of Economic science.

Economic science, often referred to as Political Economy, like all other of present day sciences, has its beginning in centuries past. As a science the beginnings of Economics were marked by Quesnay and his disciples in their doctrines, setting forth the principles embodied in the famous Physiocratic ideas in the eighteenth century. It doubtless is true that many of us are more or less familiar with that underlying principle known as the "Net Product" in which they so propiciously expunged the idea that the only income known to man was direct from the soils. Their contentions were very logical to them because of their limited concepts, developments and experiences. The absurdity of their concepts are readily perceived by economists of today. Present day economists were not the ones, however, to discover the many erroneous ideas of the Physiocrats. Swiftly following the spread of their doctrines over Continental Europe was the highly praised author known to us even today as the "father of economics", Adam Smith.

Adam Smith's doctrines were superior to the doctrines of the Physiocrats in that his concept of production was extended to include not only agriculture but manufacturing, and various types of businesses were also included. To him anything was productive that could be used in exchange for other commodities, but he failed to grasp the idea of utility and consequently said that any form of personal service such as the doctor, the dentist or the lawyer were not productive.

As an interpreter of Adam Smith to Continental Europe J. B. Say added some few new slants to political economy.

The next great figure in the development of Economic science was Ricardo, whose contentions are given

cognizance even today in the main of our orthodox structure of economics. Ricardo added to the contentions of Adam Smith in many respects, an example of which is his extension of the idea of productivity to include dentists, doctors, and other similar types of professions. He saw that utility must necessarily have a place in the process of production. Thus, in the exchange of commodities he felt that the productive process was being carried on; that when one profited by a trade the other one involved necessarily in the trade did not have to entail a loss at his gain. This is in direct contrast to the ideas of the Mercantilists when they contended that when one nation gained by foreign trade it necessitated a corresponding loss by the nation trading with them.

Many other economists have added to the doctrines of Ricardo and through the decades have sifted and rebuilt until we have what is commonly referred to as the orthodox school of thinkers.

A corresponding parallelism may be shown in the development or evolution of man as a social creature. History and the study of ancient man reveal that he went about solving his problems in very much the same manner as we do today. To be sure they were not comparable to man as he exists today, in many respects, but that is due to the fact that the evolution of man mentally has taken the slow form of profiting by the experiences and accomplishments of his predecessors, and that alone. In the beginning man was dependent upon the kindness of nature to supply, without his aid, the food, clothing and shelter that he utilized. Only through a gradual process commonly described as the process of trial and error was man enabled to cultivate and preserve and improve on what nature has provided him with.

The entirety of man's social evolution has been that of his regulations of his conduct in life, but he has not stopped with that. He had his religion. Religion of man has also been evolutionary. At first he worshipped those objects of nature that he saw gave him sustenance. That, seemingly, was a natural thing for him to do. As a consequence of man's worship of these things he had many gods. As the ages hold into the past he narrows his gods and limits them in number until the present-day concept is that of one God, supreme and all-powerful.

Thus, we see that man evolved through many stages and has proved himself the most susceptible of all the creatures of the earth. His determination to not be conquered has caused him to be conquerer; his

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