

## ECONOMICS FOR THE PEOPLE.

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### I.

#### A COMMON-SENSE STUDY FOR EVERYBODY.

WHEN I was a boy I liked to buy and sell, with pins as "make-believe" money. Then I began to collect stamps. I had a friend whose father used to trade with South America and had stacks of musty old letters with the rare "big number" Brazil stamps. Of course he wanted only one of a kind for his collection, and was glad to trade off others for some of my European stamps. I lived in New York, and there I could get for the big Brazils more stamps than I gave, or could sell them to the dealers for money. Presently I hit on a plan the dealers had not then thought of. I bought small pieces of English and French gold, and sent them in letters to postmasters in the col-

onies, asking them to send me the money's worth in unused small stamps. Some of them I never heard from, but the others sent me enough to pay all the losses and a profit besides when I sold my stock to the dealers. Then I opened correspondence with a Liverpool stamp-dealer and one in Hamburg, buying United States stamps to send them. I made quite a little money, which I found I could put in the savings-bank so as to get interest, and I got a collection worth a hundred dollars, besides learning from the postage-stamps, as any thinking boy does, a good deal of geography and history.

All this was "doing business," just as men do it. My friend and I each got what we wanted, and each of us gained by the exchange. This is what any two men do in every "business transaction," else they would not take the trouble to do business. One or both of them may make a mistake and get less than he bargained for, or find the thing worth less than he thought, but neither trades unless he expects to make by it; no law in our day compels any man to sell or buy unless he wishes. First, I "swapped" or bartered, as savages do before they learn to use money;

later on I bought and sold for money; then I bought English and French money to do foreign business; and what I made I put into a savings-bank at interest. My profit became the capital which I used to buy other stamps, from which I made more profit. When we think about real business, we find that almost all of it is quite like these transactions. The desire of every man to get more is at the bottom of it all, and all that one reads in the newspapers about capital and interest, value and price, banks and panics, can be thought out till they are seen to be just like my boy business.

ECONOMICS is the science which deals with these things. There have been a great many definitions of it—the science of production, the science of wealth, the science of exchange, the science of gain. All these definitions come to much the same thing, for Economics tells how *wealth* is *produced* by *exchange* of one thing for another, in which each man *gains*. At the very beginning, a man who digs in the earth exchanges his work for the product he gets out of the ground, and as soon as he can save some of this product wealth begins. So we may also say that Economics is

the science of work and wealth ; but whatever we call it, and however we define it, this study is that which tells how and why *business* is done, how and why men trade. For every act of business is, underneath, a trade between two men, exchanging goods or services so as to gain.

The name ECONOMICS (œco-nemics) comes from two Greek words, *oikia*, the household estate, and *nemein*, to manage, and means household management, or the management of what one owns. The name POLITICAL ECONOMY (from the Greek *polis*, city, which was to the Greeks the same as state or nation) is also used, because the wealth of nations is only the wealth the people own, put together, and economic laws are the same for the few or for the many. Some States, indeed, as Massachusetts, are called in their legal papers a Commonwealth. Each home or household earns so much and spends so much: the difference is the *wealth* of that family; and the wealth of all together makes the *Commonwealth*.

Economics has been called "the dismal science," because some people think it is uninteresting and hard to understand. But it is really a simple matter, and when one understands it fairly, a great

many perplexing things become plain, and the study is very interesting. It is only common-sense applied to business. The best way to keep the study easy and interesting is to take up the real facts that one reads of in the newspapers, and ask one's self how the economic law one is studying bears on them. I know one teacher who reads his class a business article out of the daily paper, and then talks about that. I know another who tells his boys to ask him questions about every-day affairs, and if their questions show honest thinking he marks them as though they had recited well. Or he puts the names of books or newspaper articles on the black-board, and after his class has had time to read them, makes them think out whether the writers are right or wrong. This thinking for himself is what every reader should try to do.

Every boy who likes to "swap," or who means some day to earn his own living, every young man starting in business, every girl who wants to understand what she hears men talk about or what she reads in the papers, every woman who goes shopping or who keeps house, ought to know something about Economics. For there is scarcely any one, the richest or the poorest, old or young, who

is not affected by economic laws. Away out on a Western farm, for instance, the farmer's wife can't get the new dress she needs. Why? Because the corn her husband raised last year brings so little money that he must hold it over for better prices, or wait till he can feed it out and so sell it in the form of cattle or hogs. Why? Because railroad freights are so high, and prices in Liverpool, and therefore in Chicago, are so low. And freights and prices go up and down according to those laws of trade which Economics teaches. The whole world in these days is a great House-that-Jack-built, the big things and the little things all depending on each other. And sometimes, if a farmer, for instance, knows these laws of trade, he can guard against mistakes, just as by looking at a weather-glass he can save his hay before a storm. Sometimes, too, he can help set wrong things right, by thinking them out and talking them over and casting his vote, perhaps, for a Congressman who thinks the right way.