

INTRODUCTION

The word economics comes from the Greek and means orderly management or efficiency. Economics as an academic subject is the study of people getting a living. It is the practical science of the production and the distribution of wealth. Wealth is every material thing necessary for the welfare of the human being: food, clothing, housing as well as all the accoutrements of everyday life: transport, luxuries, sport, cultural life and entertainment. Economics is also the management, in the sense of avoidance of waste, of the most efficient use of materials, resources and methods in carrying on the daily tasks of the individual and his or her community. An economically efficient individual contributes to an economically efficient society and vice versa. The two are interdependent and it is important to realize that this efficiency applies to both the processes of production and those of the distribution of wealth.

Economics may be considered in two ways. The first is natural economics the other the artificial laws which we practise. By the natural I mean all that efficiency found in the activities of getting a living; by the artificial I mean all those laws and regulations of governments we are obliged to follow.

Personal and community survival is by adaption to environment. To be successful in economic activities means people individually and collectively conforming with natural forces and resources in every discoverable way. In the past, economics has been a matter of accepting what has been customary or what has been legally enacted, but this has proved inefficient and insufficient and it has not resolved the economic problems of peoples and nations. It behoves the individual to question why customs and man-made laws are satisfactory or unsatisfactory and if unsatisfactory to seek alternatives which offer improvement.

Natural laws differ from legislative acts. Gravity is a natural force and the law of gravity is a natural law. Natural laws impose fixed penalties and inflexibly refuse to offer transgressors a second chance. To take advantage of them is to succeed, to be ignorant of them, or to ignore them is to fail. Success can then only come about by accident.

Legal statutes impose penalties which are flexible; they can be amended or revoked by the government which made them; they can be obeyed, evaded or ignored by the citizens. They need to be policed and are subject to corruption by all parties. Governments can enact good or bad laws; in nature no such alternatives exist. Examples of artificial laws are the civil or criminal codes of any particular country or place.

Artificial laws are backed up, of course, by whatever power the particular state or ruler can command. An artificial law, such as a marketing board, may affect the behaviour of an individual or a state economy, and it is one purpose of the study of economics to enquire if this effect conforms or contrasts with the effects of the natural laws and forces pertaining to the circumstances under consideration.

In short it is the task of economics to find out what is the most efficient way of going about the day to day processes of both the individual and the nation. It is a search to find out what is required to preserve the economic health of both the individual and the society of which

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he or she is a member. Whatever artificial law is enacted, it must not advantage or disadvantage either the individual or the state; it must be to their mutual advantage. This means that the artificial law is required to coincide with the natural law. Unless this condition is met economic problems will ensue. In order to construct a house natural guidelines such as a level to get foundations even and walls upright are used. Similarly, to have a well constructed economic system natural laws or guidelines have to be used.

The present day world of economists abounds in sectional solutions to problems, e.g. one section says high prices are the cause of troubles, another high wages, yet another people's greed, and so on ad infinitum. Dealing with current affairs via radio, television, the printed and spoken word, pseudo-learned people administer daily doses of whatever passes for economic wisdom, often using technical language unfamiliar to non-experts. The characteristics and symptoms of social situations are repeatedly described without a suggestion that reliable solutions to problems are forthcoming.

False trails are often laid by parliamentarians and other groups so that attention is diverted from problems to favour their particular interests. The subject has become an endless puzzle. How can the real situation be disclosed? Economic knowledge, it seems, is undiscovered as was once anatomy, physiology and even astronomy in the dark ages. Ignorance of critical aspects of human behaviour will always lead to a multitude of fragmented economic theories, many in conflict, each with its own central pillar of concepts and generalisations. There is a need for a common basis on which to unite the energies of all researchers in this important field.

It is becoming generally recognized that the subject of economics today is mostly politics, owing to lobby groups persuading governments to pass legislation to preserve sectional interests. Examples are seen where tariffs, subsidies, import and export quotas, licences, etc. operate. The welfare of the whole is often subjugated to the economic prosperity of separate sections of the community, and this occurs in all areas, rural, mining, manufacturing and commerce.

An economics student must learn the prescribed matter to pass examinations and the graduate practises what is required of him by those who pay his or her salary. Schools and universities financed by government and private organizations dictate what may or may not be prescribed and taught. The study of economics is thereby restricted.

The physical sciences of production have established principles which are universally agreed upon. Engineering principles are used to build bridges in the same way in every country, the laws of motion apply everywhere. In the distribution of wealth economists do not make use of universal principles when so many different arbitrary economies can be observed throughout the nations. The tribes of Papua New Guinea have a different way of sharing production from that of western or communist nations, yet there are elementary principles of economics which have universal application and therefore invite universal consideration and acceptance.

Sciences have evolved because people have been willing to contemplate, question and recognize alternatives. This is the story of human progression and surely the same progress

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is possible in the field of material existence and welfare in the field of social science.

Of course the conclusions, if not the premises, will be criticized and rejected by many. The most valid conclusions which affect pecuniary interests always attract opposition; the purse is the individual's most sensitive area. When another can be affected there may be partial apathy, but as soon as the self is involved the subject ceases to be objective and reason can be lost in emotional reaction. Logic flies out of the window and progress is retarded.

In the following pages the elements of the subject will be classified, i.e. we find out what is wealth, what is labour, etc. The terms will be defined and by observations the natural phenomena in the field will be described. We will then see what use can be made of the information gathered. With this information the social system and its organizations will be analyzed and commented upon in the light of principles revealed.