

PREFACE

In 20th century we have walked on the moon and developed the computer which now plays so important a part in our lives. Yet poverty and war continue, and economic management is a chancy affair.

Economics is a subject in limbo. It is viewed neither as a science nor an in-depth study of human behaviour. Instead of using the methods of the physical sciences - experiment, observation, inference - economics has evolved as a separate discipline. The student is required to accept what is taught, not to question, research and seek to understand concepts. An ancient social order is preserved in a vastly changed and changing world.

In spite of this, economics remains a statement of the natural forces which control the business of earning a living. There are problems. Like pioneering work in the physical sciences, such as that by Kepler, Copernicus, Galileo and Darwin early economic investigations met with many objections. Controversy was so intense that the elements of the subject were lost in the arguments. And so today there are many economic theories, none of which is acceptable to all sections of the community. Originality of thought is almost non-existent, discouraged, or impossible to express.

We must break out of this cocoon to bring economics to life, to develop it and reach the stage of achievement seen in the technological field. There is a void in economic thought because economists do not produce satisfactory answers to pressing social problems. It is the responsibility of citizens to search and fill this vacuum. Trained economists cannot be relied on to carry out objective research into the distribution of wealth in the same way that physical scientists do in the production field.

Present economics is a study (allied with accountancy) which has developed mainly to increase and monitor the production of goods and services. It has become a highly statistical discipline emphasising this narrow aspect. It assumes that if goods are produced, they will be automatically shared equitably. This has not been realized.

No costly buildings, laboratories or apparatus are needed to study economics. Its experiments are going on all around us. It needs only a guide to point out what may be seen, to make observations from everyday events, and from these to draw rational conclusions. Wherever people are, economic processes can be observed and tested.

Wherever there is trade or barter, production of goods, exchange of goods or services for money, the everyday transactions are economic processes. In the field of economics rational conclusions must generate principles as reliable as those which guide the applications of any other science. Our study must enable us to make accurate analyses and diagnoses, and to come up with specific, reliable treatments of economic ills.

The following pages are an attempt to set down briefly and simply a description of the social economic structure, to look at the economic world with a clearer vision, to attempt to sweep away the confusion and doubt which has dominated economic thought for so long.