

ELEMENTS OF ECONOMICS

PART I

ECONOMIC IDEALS

CHAPTER I

THE GOAL OF ECONOMIC ENDEAVOR

- I. What is our goal?
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 - b. Achievement
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 - a. The production of wealth
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 3. The old view and the new
- II. How to attain this goal
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 - b. Its possibilities in America.
 - c. Its real significance:
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 - b. Its existence in nature
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 - d. Its prerequisite

What is Our Goal? — A baseball team may aim to pile up a big score, or it may aim to play a good game. The

big score is success; the good game is achievement. The

In play: team that aims to pile up big scores wants games
Success or with weak opponents; but the team that aims to
achieve- play a good game desires in its adversaries equal,
ment. if not greater skill. The big score team triumphs,
 while the good game team learns. The latter may lose every
 game of the season, and yet attain a proficiency in baseball
 far above that of the former team.

It is thus entirely possible to play baseball for scores or
 to play for the love of a good game. Exactly the same
 possibilities present themselves in the economic world,
 except that the choices are rather more numerous and com-
 plex. For example, a man may have as his aim in life any
 one of the following objects of economic endeavor. He may

In life: strive for money, the counters of the economic
The produc- game, and, like the miser, hoard them and gloat
tion of over them. Or he may overlook the counters and
wealth. work for the things which the counters repre-
 sent, — the wealth of society. Again, a man may have
 for his object the satisfaction of his wants; in which case
 he works for the counters, exchanges them for the wealth,
 and thus, by the possession and use of the wealth, satisfies
 the wants which led him to work.

Many men, however, have as the chief object in life the
 attainment of progress, — a forward movement of the entire
 group to which they belong. If a large group is striving for
 progress, civilization will be advanced and the welfare of
 each member of the group will be augmented.

The promo-
tion of wel-
fare. Of course, in order to secure progress, it will be
 necessary to use money and wealth in order to
 satisfy the wants of the individual; yet there is just as wide
 a difference between working for wealth and working for

welfare as there is between playing baseball for scores and playing to play a good game. In the first case man works for counters; in the second, for development.

Economics is not merely "the science of wealth" but is becoming more and more "the science of welfare." The early idea was that economic goods are the logical end of economic endeavor; that the nation which is producing economic goods in great abundance is a successful nation, irrespective of any other test. The newer view holds, on the other hand, that true advancement lies, not in the production of goods, but in developing the lives of men and women, and that, while this end may be achieved through the production of goods, the production is merely incidental to the development of manhood and womanhood. Production is not an end in itself, but merely a means to welfare.

The old view and the new.

How to Attain this Goal. — The attainment of welfare — individual and social well-being — depends in the first place upon opportunity; in the second place upon adjustment. Let us examine briefly the part played by each of these factors in individual and social welfare.

Opportunity is an equal chance given to the members of each generation to become unequal. Far from signifying equality, opportunity involves only the thought that each person shall have an equal start. The "starter," who shoots the pistol for the mile run, does not make the runners equal when he insists that each start at the same time from the same mark. On the contrary, he gives the contestants a fair chance to show how unequal they are. Those who urge the necessity of opportunity are doing no more than the "starter," — insisting that each contestant in the race of life shall start, fully prepared, with an equal chance to do good work.

Through opportunity: Its meaning.

As a nation, America to-day presents rare opportunities. Contrast, for a moment, the conditions of the eighteenth century with those of the twentieth. In 1700 capital was scarce, living was precarious and, in order to secure even the bare necessities of life, men, women, and children were forced to work hard and continually. In 1900, however, the inhabitants of the United States have abundant capital and a marvelously developed system of wealth production. The bare necessities of life, and some of the comforts as well, can be supplied in an eight-hour working day for adults, while the children attend school. In 1700 the possibilities for opportunity were limited; in 1900 they have increased a hundredfold.

The real significance of this new opportunity is augmented by the modern view of man's possibilities. Modern science justifies the belief that, within racial lines, most men are born approximately equal and normal; hence opportunity is the chief factor in human development.

This view was not always held. Even to-day people believe in total depravity. Under this hopeless view of the human race, some men are depraved, sinful, wicked; others are shiftless, lazy, inefficient, and poor; while the fortunate ones are wise, capable, and efficient. During the centuries when this view was prevalent, birth was looked upon as the determining factor. This attitude toward life was an attempt to justify existing conditions; it led to submission and despondent resignation. It was all but fatalistic.

In the course of time, however, thinkers arose and proclaimed the doctrine of the equal distribution of human capacity. Such men talked of the right to life, liberty, and

the pursuit of happiness, and asserted that all men are created free and equal. Equalize Opportunity, proclaimed these "free and equal" thinkers, and, to a great extent, you equalize achievement. Birth — heredity — was no longer the key to the situation; it was now to be found in opportunity and environment. This view of human life is full of promise and inspiration, transforming men from fatalists into enthusiastic workers. According to its teaching, perhaps nine-tenths of all men and women, in a given grade of civilization, are born with about the same capacity to do good work.

Take, for example, two boys of equal ability, born on the same day. In the course of their lives, one is sent to high school and college and does splendid work in the world; the other is badly fed, poorly clothed, and sent into a cotton factory at the age of twelve. The first boy, because he had a chance, developed in exactly the same way that the second boy would have developed had a chance been given to him. An overwhelming majority of people, like these two boys, are normal at birth and if given an opportunity will lead normal, happy lives.

Welfare can be secured only when a normal relation is established between men and their surroundings. The establishment of a normal relation between men and their surroundings is called adjustment. If men live in poverty when the world about them is rich and fertile, ^{Through} there is maladjustment; but if the wealth of the ^{adjustment:} community is so divided that men and women ^{Its meaning.} are living in comfort, adjustment has been secured. The aim of adjustment is to change unfavorable conditions so that men may lead normal, happy lives. Adjustment, therefore, involves an approximation to the normal.

The phenomenon of Adjustment is seen in nature as well as in society. A river, for example, adjusts itself to the changes in earth formation. If a mountain range is thrown up, the river wears down its bed until, flowing at a normal gradient, it has created a canyon of the Colorado. But *Its existence in nature.* the river is not content. It continues its work, cutting away the surrounding hills, until it flows through a great plain like the Mississippi Valley. Society, like the river, seeks to adjust itself to the changing contour of the environment by wearing it away and smoothing it down until a normal relation is established between men and their surroundings. It accomplishes its purpose by means of men and women all working together, coöperating to remove the obstacles in the path of progress.

The process of adjustment is continuous because the normal is always changing. The unattainable of one age is the attainable of the next. Through science, invention, education, and the creation of surplus wealth, *Its never ending character.* the dreams of the past, — the abolition of slavery, freedom from overwork, from cold and hunger, from famine and pestilence, — become the realities of the present. Thus the possibilities of human life are ever widening.

Men and women, therefore, who have the welfare of society truly at heart are continually striving to shape social conditions so that every one may be happiest and most effective. If enough people work for such an end, the full possibilities of society will be realized and the *Its pre-requisite.* normal for that community will be attained. But to secure this adjustment, — to guarantee the welfare which is the goal of economic endeavor, — man must first be given opportunity.

TOPICS FOR CLASS DISCUSSION

1. What economic goal have you in view?
2. What are your reasons for having any goal?
3. What should determine the choice of a goal?
4. Would you be willing to take a "cinch" job with a big salary?
5. What does "opportunity" mean?
6. Should any limit be placed on opportunity?
7. Would not the opportunity of the few be limited if opportunity were provided for the many?
8. What is the object of maintaining unlimited opportunity?
9. What part can an individual play in securing adjustment?

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