

# **ELEMENTS OF ECONOMICS FOR HIGH SCHOOLS**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649207077

Elements of economics for high schools by U. S. Parker

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**U. S. PARKER**

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*BY*

**U. S. PARKER, A. M.**

NEW YORK  
G. P. PUTNAM'S SONS  
1895

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# ELEMENTS OF ECONOMICS

## CHAPTER I.

### Outlines of Economic History.

1. SCOPE OF ECONOMICS. Economics, or Political Economy, is the science which treats of men's efforts to get a living. It is one of a new group of sciences called the social sciences. Man had not yet emerged from barbarism when he began to make a more or less systematic study of the facts and forces of nature, and the crude elements of some of the sciences of nature and of mathematics began to develop. The facts and forces involved are so vast and their secret workings lie so deeply buried that the natural sciences are not yet complete; but considerable progress along these lines had been made before man began a systematic study of his own social activities. The Greek philosopher, Aristotle, made a careful study of the governments of his time, and his book on politics contains many sensible conclusions on the general principles of government. But his work was fragmentary, and very little more was done towards working out the science of government during the next twenty-two centuries. Not until the nineteenth century did any systematic work on government appear worthy of the name of a scientific book. And the science of economics is equally new. The first great work upon the subject, Adam Smith's *Wealth of Nations*, appeared in 1776. But it was quite crude, and not till well into the nineteenth century did the subject begin to assume a real scientific shape.

During the last half century great thinkers have turned their attention to man's social activities, and several social sciences have been roughly worked out. There are six great social institutions around which man's activities center, the home, the church, the school, the club, the state, and business. Each of these is an institution, since it is organized, each having its own peculiar organization. In the home are the father, the mother and the children, each having their duties to perform and all working towards the common happiness

and development of all. The church is likewise organized, and has its special function to perform. Each of these institutions, its organization, its functions, and the principles that should guide men in their associated efforts in each of the institutions, would constitute a social science. History is sometimes classed as a social science, but it may be doubted that history can be called a science. There are indeed many great principles which history teaches, but they would be included in some one or more of the definite social sciences. History is rather the tracing of man's activities along all lines of effort, including the six named above, together with the growth of language, literature and art, and man's mastery over the secrets of nature. The range of subjects is too vast and our knowledge of the field as a whole too limited to enable us to treat history as a science, which is a body of laws. But it is a social study. Men are attempting to study man's general social activities as a whole and reduce them to a scientific treatment, and the name of this newest of the social sciences is Sociology. But as yet the vastness and indefiniteness of the subject has prevented the formulation of any very definite science of man's social activities in general.

Of the six institutions named above, the two that are now studied most, both in school and out of it, are the state and business. In the study of the state, which is man's political organization for the purpose of government, the school is usually included, since the schools are under public management and the political organization controls the schools in a general way. The study of business from the broad viewpoint of social activity, is the study of economics. At first sight the two subjects, civics, or the study of government, and the study of economics may seem entirely distinct and separate. But as a matter of fact the two run together at several points, and our school texts on the two subjects overlap considerably. This causes unnecessary duplication and should be avoided if possible. The study of the structure and workings of government are sufficiently distinct from man's activity in gaining a living, so that no trouble arises under those two groups