

**OUTLINES AND
EXERCISES
IN ECONOMICS**

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Outlines and exercises in economics by Reuben McKittrick

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IN ECONOMICS**

Outlines and Exercises In Economics

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PREFACE

In an address to the Bankers' Club of Chicago on the evening of December 16, 1916, Mr. Frank A. Vanderlip, President of the National City Bank of New York, made the following interesting statements in regard to the necessity for a more general study and comprehension of the principles of political economy.

"There is a science of political economy. Some of its principles are as definite as laws of mathematics. It makes understandable principles and laws that can no more be broken with impunity by a nation than moral laws can be carelessly regarded by an individual. I believe sound thinking in regard to the principles of political economy to be one of the greatest needs of this nation. A man counting on his fingers may evolve enough mathematics to carry him through the needs of a simple life. A man unable to state a single principle of political economy may still think with what seems a sufficient degree of accuracy about his ordinary affairs.

"But when that man, ignorant of the principles of political economy, joined to others equally ignorant, begins en masse and nationally to project his judgments beyond directing the simple affairs of his life, so that his discussions are weighed and give substantial direction to the course of society or the action of government, then the danger which may follow from such lack of understanding is appalling."

The development of the student's ability to think accurately and sanely, to form sound judgments, and to express himself clearly and concisely in regard to questions of social and industrial importance is regarded as being the chief function of a course in Economics. Information is essential, however, for accurate thinking and a knowledge of the subject is the first requisite of ability to speak. These Outlines and Exercises in Economics have been prepared, therefore,

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with the hope, that they would not only raise interesting questions for study and discussion, but that they would direct the students' attention to those sources of information and along those lines of thought which lead to intelligent decisions of public questions and to rational action in both public and private affairs.

This book is not a textbook, nor a substitute for a textbook. It is intended to supplement the work provided in an economics textbook in much the same way that a laboratory manual supplements the work of the text and the recitation in physics and chemistry. Unless very unusual library facilities are available, the author regards the textbook method as an indispensable means of handling a beginning course in Economics. Nevertheless most texts have their shortcomings. No one text is a satisfactory source of information on all the points of inquiry which arise in a course in Economics; neither does a single book always afford the clearness of explanation nor the aptness of illustration that may frequently be found in other books. Consequently this book has been prepared with the hope that it would make immediately available for classroom use the wealth of material that exists in other books and sources. In the hands of the busy teacher, it should be a ready guide to the literature of the subject and a suggestive resource in providing exercises and problems for class use. In the hands of the pupil, it should be a manual which will direct his activities in a logical way toward a clearcut, definite comprehension of the fundamental principles of an interesting and practical science.

A word further about books for supplementary use may not be out of place. The study of Economics is not a study of a book, but of a *subject*. Teachers readily recognize the fact, and other school officials soon should do so, that a satisfactory course in Economics can no more be given without suitable library facilities than a course in manual

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training or domestic science, without a shop or a kitchen. Just as a suggestion of what may be desirable and, in a sense, as a minimum of what should be provided, two lists of twenty books each have been printed in the pages immediately following. These may serve as a nucleus around which a very satisfactory library of books pertaining to this subject may be built up in a few years.

The general method that has been followed in the succeeding pages has been to divide the whole course into sections corresponding to the principal subjects or topics to be treated. These topics have been arranged as nearly as possible with the view of getting a logical sequence and of obtaining a progressive development of the main theme of the course. This theme is regarded as being an accurate and impartial exposition of the organization of industrial society and of the laws and principles which govern man's activity within that society. The result of this kind of exposition, from the standpoint of the student, should be such an appreciation of the nature of modern industry and such a realization of the importance of man's relation to it as will lead to more intelligent consideration of its problems and more rational action regarding its future developments.

Each section contains a topical outline which is intended to serve as a sort of chart or descriptive map of the work to be done in connection with that particular section. The exercises are then arranged in the main so as to follow the order of the outline. The author believes this sort of outline desirable because without it students read an assignment just as an assignment, usually without any definite notion of what is to be gained from it; with the outline, they may have a definite end in view and a definite motive for doing the work. It is hoped and believed the references given and problems set forth will be found pertinent to the work in hand since most of them have been carefully tested

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out in classroom work at the Teachers' College. A few excerpts have been reprinted because of their unusual bearing on the subject to which they are related and because they would otherwise be inaccessible to students.

In conclusion the author desires to express his gratitude to his colleague, Mr. W. F. Mitchell, who has used many of the exercises and problems set forth in the succeeding pages and given many valuable criticisms and suggestions. He also desires to acknowledge his obligation to those authors and publishers who have so kindly permitted excerpts from their published articles and books, many of which are copyrighted, to be reprinted here. The details in each instance are listed in the bibliographical notes.

REUBEN MCKITRICK.

Cedar Falls, Iowa.

August 15, 1917.