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Elements of
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ELEMENTS OF ECONOMICS

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BY

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PREFACE TO THE THIRD EDITION

IN the preparation of this Edition I have been afforded a further opportunity to revise the text and to bring it up to date. I wish to acknowledge my thanks to the many teachers, students, and friends who have sent me suggestions for the improvement of the volume.

S. E. T.

November, 1927

PREFACE TO THE SECOND EDITION

THE author has been much gratified by the reception accorded to the first edition of this book.

In the preparation of the second edition, the opportunity has been taken to revise the text and to bring it up-to-date, while the chapter on the Foreign Exchanges has been considerably enlarged in view of the present importance of that section of the subject.

S. E. T.

August, 1925

PREFACE TO THE FIRST EDITION

THE object of this book is to present the elementary principles of Economic Science in as clear and interesting a manner as possible. Every attempt has been made to meet the needs of students working for the various professional examinations for which a knowledge of Economics is required, but the purely abstruse intricacies of the subject and its many controversial issues have been avoided as much as possible or but lightly touched upon.

The author makes no pretence of attempting the difficult task of adding to the sum total of the science of Economics at the present stage of its development. He nevertheless recognises

that the charge of abstraction made against its usual treatment is by no means dead, and hopes that new ground has been broken in an endeavour to apply orthodox Economic theory to practical affairs, and to link up that theory with its outward phenomena as seen in daily life.

Special attention has therefore been given to the many problems of modern industrial organisation which to-day claim so large a share of public thought, and to those intricate questions of international currency and trade which are the cause of much mystification to the general reader. In a volume of this kind it is necessarily impossible to give to such matters that degree of attention which is commensurate with their great importance at the present time, but it is hoped that the consideration given to these problems and the many up-to-date examples which are included will make the volume of service and of interest, not only to the student, but also to the layman and the man of affairs.

The author's thanks are due to Mr I. V. Hoskins, B.A., LL.B., and Mr F. Whitmore, B.Com., for their assistance in preparing the manuscript for press and in reading the proofs.

S. E. T.

September, 1924

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APPENDIX

LIST OF AUTHORITIES AND SELECTED WORKS

The following list of authorities and of selected works, which have from time to time been found useful by the Author, is included in the hope that it will assist readers who desire to make a more detailed study of Economic Science or of one of its branches.

Elementary General Works

- Cannan, E. . . . *Wealth.*
Chapman, S. J. . . . *Outlines of Political Economy.*
Clay, Henry *Economics for the General Reader.*
Ely & Wicker *Elementary Principles of Economics.*
Gide, C. *Principles of Political Economy.* (Translated.)
Jones, J. H. *Social Economics.*
Do. *The Economics of Private Enterprise.*
Marshall, A. *Economics of Industry.*
Nicholson, J. S. . . . *Elements of Political Economy.*
Walker, F. A. *Political Economy.*

Classical Treatises

- Adam Smith *Wealth of Nations.*
Mill, J. S. *Political Economy.*

Advanced General Works

- Marshall, A. *Principles of Economics.*
Do. *Industry and Trade.*
Taussig, F. W. *Principles of Economics.*

Specialised Works on Various Departments

VALUE AND DISTRIBUTION

- Carver, T. N. *Distribution of Wealth.*
Fisher, Irving *The Nature of Capital.*
Henderson, H. D. . . . *Supply and Demand.*

THE THEORY OF MONEY AND PRICES

- Cannan, E. *Money.*
Cassel, Gustav *Money and Foreign Exchange after 1914.*
Fisher, Irving *The Purchasing Power of Money.*
Do. *Stabilising the Dollar.*
Horton, S. D. *The Silver Pound.*
Jevons, W. S. *Money and the Mechanism of Exchange.*
Keynes, J. M. *A Tract on Monetary Reform.*
Layton, W. T. *Introduction to the Study of Prices.*
Marshall, A. *Money, Credit and Commerce.*
Robertson, D. H. . . . *Money.*
Todd, J. A. *The Mechanism of Exchange.*

CREDIT, BANKING AND FOREIGN TRADE

- Bagehot, W. *Lombard Street.*
 Bastable, C. F. *The Theory of International Trade.*
 Gregory, T. E. *Foreign Exchange.*
 Hawtrey *Currency and Credit.*
 Lavington, F. *The English Capital Market.*
 Spalding, W. F. *The Money Market.*
 Do. *Foreign Exchange and Foreign Bills.*
 Sykes, E. *Banking and Currency.*
 Thomas, S. E. *Principles and Arithmetic of Foreign Exchange.*
 Withers, Hartley *The Meaning of Money.*
 Do. *Money Changing.*
 Do. *Stocks and Shares.*
 Do. *Bankers and Credit.*

LABOUR PROBLEMS AND MOVEMENTS, COMBINATION, ETC.

- Ashley, Wm. J. (Ed.) *British Industries.*
 Beveridge, Wm. *Unemployment.*
 Cole, G. D. H. *Self-Government in Industry.*
 Dalton, H. *The Inequality of Incomes.*
 Duncan, J. C. *The Principles of Industrial Management.*
 Goodrich, C. L. *The Frontier of Control.*
 Hobson, J. A. *Incentives in the New Industrial Order.*
 Hoxie, R. F. *Scientific Management and Labour.*
 Money, L. C. *Riches and Poverty.*
 Robertson, D. H. *The Control of Industry.*
 Silverman, H. A. *Economics of Social Problems.*
 Webb, B. & S. *Industrial Democracy.*
 Do. *The Consumers' Co-operative Movement.*
 Do. *History of Trade Unionism.*

PUBLIC FINANCE AND TAXATION

- Armitage-Smith, G. *The Principles and Methods of Taxation.*
 Bastable, C. F. *Public Finance.*
 Cliff, A. B. *Imperial Taxation.*
 Fisk, H. E. *English Public Finance.*
 Hobson, J. A. *Taxation in the New State.*
 Kirkaldy, A. W. *British Finance, 1914-21.*
 Lever, E. A. *Primer of Taxation.*
 Robinson, M. E. *Public Finance.*
 Withers, Hartley *Our Money and the State.*

ECONOMIC HISTORY

- Ashley, W. J. *The Economic Organisation of England.*
 Bradshaw *Social History of England.*
 Fay, C. R. *Life and Labour in the Nineteenth Century.*
 Knowles, L. *The Industrial and Commercial Revolutions in Great Britain.*
 Price, L. L. *History of English Commerce and Industry.*
 Slater, L. *The Making of Modern England.*
 Warner, T. *Landmarks in English Industrial History.*

THE HISTORY OF ECONOMIC THOUGHT

- Ingram, J. K. *History of Political Economy.*
 Palgrave. (Ed.) *Dictionary of Political Economy.*
 Price, L. L. *History of Political Economy in England.*

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