

THE GROUNDWORK OF  
ECONOMIC THEORY

# THE GROUNDWORK OF ECONOMIC THEORY

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LONDON

P. S. KING & SON LTD.

ORCHARD HOUSE, WESTMINSTER

*First published* . . . 1937

Printed in Great Britain by T. and A. CONSTABLE LTD.  
at the University Press, Edinburgh

## PREFACE

THIS book is intended for students in the early stages of economic studies. No previous knowledge of economic theory is assumed and no better acquaintance with the economic world than is normally accessible to an intelligent observer of our complex society and to an interested reader of the many descriptive works which authors and publishers have made available.

I have had in mind the needs of serious students who do not shrink from the effort of sustained attention and systematic thought, and have sought to present with reasonable brevity the central propositions of modern economic theory which form the essential groundwork on which more realistic and more advanced work must be based. Some of this analysis is not easy, and it is often evaded in books for beginners by a deliberate vagueness of exposition. It is no doubt desirable not to bewilder the student with an over-elaboration of abstract analysis; nevertheless, it has been my experience that a complex analysis does not repel the student but is rather an exhilaration so long as the purpose of it is grasped and so long as it is related to its assumptions, its setting and its corollaries. I have, however, been less interested in spinning out all the threads of argument than in weaving the main strands into a broad pattern. The confusion of the beginner is due not so much to a failure to understand the individual propositions but rather to a failure to grasp their inter-relations and their coherence in a systematic body of theory. The student who derives the different propositions from the reading of a number of different specialised studies, each with its own assumptions and its own development, will usually experience some bewilderment and confusion of thought through failure to co-ordinate distinct lines of approach and to bridge unsuspected lacunae. This work

seeks to eliminate this difficulty, and in order to restrict the treatment to a length permitting a readier comprehension of the whole, I have frequently resorted to brief tabulation where the common sense or everyday experience of the student can readily fill in the details. Of course, it may be said that all economic reasoning is merely systematic common sense; but some is more obvious than the rest.

It will be objected that the treatment of the subject is abstract, "unreal,"—but so also are the theorems of Euclid, yet few will deny their relevance to the "real" concrete physical world. The economist is concerned to build up a coherent system of propositions which, though abstract and "unreal" in themselves, shall be none the less relevant to the social life of man. Scientific treatment is necessarily abstract.

It has throughout been my aim to provide, not indeed a substitute for the standard works on economics, but rather a short introduction and guide to their understanding and appreciation. The student cannot be too strongly warned that he can in no way be absolved from a patient study of the masterpieces of economic literature, to which I gratefully acknowledge my own indebtedness.

My wife has given me much valuable assistance both as a patient critic and as a diligent proof-reader.

J. W.

HIGH SCHOOL FOR BOYS,  
SOUTHEND-ON-SEA.

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