pay back in 1880? If in 1880 the unit could be bought for $110, how much money ought I in justice to return?

13. If payment of debts were excluded from consideration, would it make a difference whether we had more or less money in our country? Would the higher or lower prices, if general, make a difference to any one but debtors and creditors? If the multiple standard were in use, need we care much about the quantity of money?

14. Is a carriage capital? Is the money paid to a policeman by the city capital? Consider whether the policeman is a productive laborer (see section 53). Is the money paid to a molder in a foundry capital? Why?

15. Name some article which is wealth, but not capital. Mention some use of money when it is not capital.

CHAPTER XI.

HOME AND FOREIGN TRADE.

102. To any one looking over a great city during working hours, the confusion of noises and movement of people indicate a variety of occupations which, regarded as a whole, seem like an incoherent jumble, without method or purpose. Chimneys are smoking, machinery is rattling, wagons going in opposite directions are crowding the streets, and people swarm the footways. The complexity of business affairs seems hopelessly intricate, and we might possibly think that what we see is merely the result of chance. Every person is expected to choose an occupation, and in one way or another take some part in this bustle of work or production. In short, all this marvelous world of **trade exists to satisfy human wants.** It is the result of efforts to get those things which satisfy our desires. And it is this seemingly complex organization of the business world which we are now to study. It is complex, because man has summoned to aid him in this struggle for wealth all the resources of invention, all the accumulated skill of centuries, and all the results of civilization. This is also the reason why it is of such great interest. Ships, railways, warehouses, carts, express-wagons, stores, and their thousands and millions of laborers are doing the work of exchanging goods. It is not sufficient simply to produce in Vermont what a man wants in Texas. That must be carried to him and something

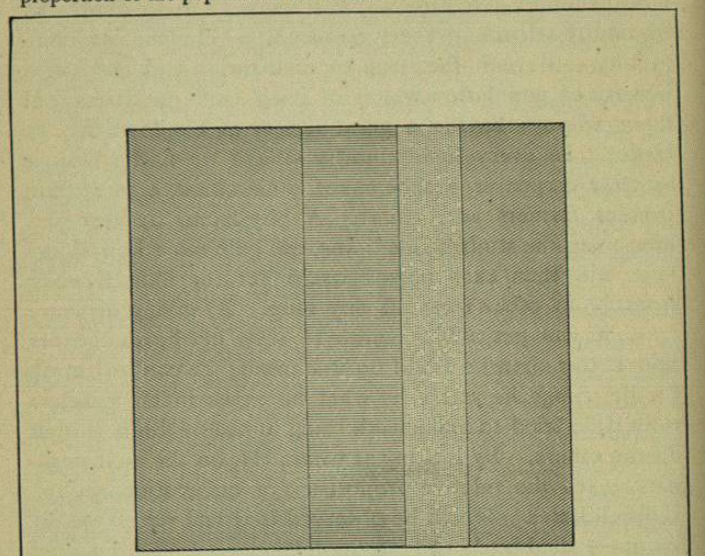
brought back. Cotton and woolen goods are rolled into Boston or New York by trains, shipped by steamer to Galveston, and cotton is carried back by water, or cattle are driven northward to be sent by rail to the eastern seaboard. Each man's goods must find a **market**—that is, they must find a man who wants them, and who, at the same time, can give in return articles desired by their owner or manufacturer (see section 29). No one can make for himself all the things he needs.

103. All this marvelous machinery of exchange, which has grown up by the slow experience of men, is due to the fact that men and places are differently adapted for different purposes; or, in a word, it is due to **division of labor.** It has been found that, by confining themselves to one thing, persons can produce a greater total of wealth than if each person worked by himself and tried to produce everything he wanted. For example, each man of a thousand, working by himself, might produce a barrel of flour, a pair of shoes, and a coat in a certain time; and so the thousand men might produce one thousand barrels of flour, one thousand pairs of shoes, and one thousand coats. But if one third of them devoted themselves solely to producing flour, another third to shoes, and another to coats, they could, by this division of labor (to say nothing of being able to use machinery), produce a vastly greater amount in all than one thousand barrels of flour, one thousand shoes, and one thousand coats. It is no exaggeration to say that, with the stimulus of competition, with the inventions, and with the acquired dexterity and experience which familiarity with one occupation gives, they would produce ten, or a hundred, or a thousand times as much wealth as if each tried to produce all these things by himself. One hundred years ago, it is said, one person out of five was needed to supply the clothing of the people; but to-day only one person out of two hundred and fifty is needed, and we have much more and

better clothing now than then. It has been found, consequently, that, if each person selects one occupation, and works only in it, he can, by his increased product, really get more of the other things he wants. By producing more of one thing which others want, he can get in exchange more of the things he himself wants. This truth is so generally acted upon that it causes a great **diversity of occupations** in every community. Indeed, no community can reach the stage of civilization and the slight density of population which of itself leads to division of labor without having a great variety of employments or trades. In every little country village we find a blacksmith, a carpenter, a shoemaker, a merchant, a physician, besides farmers and others. A physician, by devoting himself to the study of medicine, can gain more knowledge and skill than each person could get for himself while working in other ways all day long. By giving his services, he can get a blacksmith to shoe his horse cheaper and better than he could do it himself; he can buy more of the things he wants by what he earns in his practice than if he tried to make each thing himself. So it is with all the others. By looking at Chart III, on the next page, we can see the relative proportions of occupations in the United States. It will be observed that one very large division—called trade and transportation—is engaged simply in exchanging the goods produced by those in the agricultural and manufacturing classes. This separation of employments, by leading each person to do only one thing, at the same time makes him more dependent on his neighbors, for it **creates the necessity of exchange.** If each person tried to produce all that he wanted, as Robinson Crusoe did, there would be no reason for an exchange of goods with others. There would, in that case, be no busy cities, no steamers, no vast network of railways, and no great stores and warehouses. The reason why goods are exchanged at all is because every person can do some

CHART III.—*Chart showing for the United States, in 1890, the ratio between the total population over ten years of age and the number of persons reported as engaged in each principal class of gainful occupations. Compiled from the returns of the Eleventh Census.*

NOTE.—The interior square represents the proportion of the population which is accounted for as engaged in gainful occupations. The unshaded space between the inner and outer squares represents the proportion of the population not so accounted for.



(1.)	Engaged in agriculture, fisheries, and mining	9,013,201
(2.)	" manufactures and mechanics ...	5,091,669
(3.)	" trade and transportation	3,325,962
(4.)	" professional and personal services	5,304,829
		22,735,661
	Not so engaged	24,677,898
	Total population over ten years of age	47,413,559

one thing better than many things by concentrating his power rather than by scattering it. All this is implied in selecting a profession or a trade.

104. When we see that exchange of commodities is due to the separation of employments, or division of labor, and when we reflect for a moment on what a **variety of desires** each person has, we can begin to understand why the world of trade seems so complicated. One workman in a factory may make nothing but the screws used in a watch, and yet how many and various are his desires. It is really surprising to find out what such a man gets in return for working only on screws. "We do not think it remarkable to sit down to a table covered with articles from all quarters of the globe and from the remotest isles of the sea—with tea from China, coffee from Brazil, spices from the East, and sugar from the West Indies; knives from Sheffield, made with iron from Sweden and ivory from Africa; with silver from Mexico and cotton from South Carolina; the apartment being lighted with oil brought from New Zealand or the Arctic Circle. Still less do we think of the great number of persons whose united agency is required to bring any one of these finished products to our homes—of the merchants, insurers, sailors, shipbuilders, cordage- and sail-makers, astronomical-instrument makers, men of science—before a pound of tea can appear in our markets." * By making screws alone, the workman gets some of all these things, and more besides. Indeed, so varied are each person's wants that it seems almost inconceivable that he should be able without fail to get every day or week, when he wants them, these many things in exchange for his single product. How is it arranged so that steamers coming from India bring him just the thing he wants, and in just the quantity? Neither the owner of the steamer nor the captain knows this particular workman; but they both do know that millions of

* Bowen, "American Political Economy," p. 25.

changed for other goods. A large part is used in buying more material for his mill, to repair machinery, or pay wages, and another part forms his profits; but he does not eat this money. He spends it for goods in one way or another; he pays it out for the expenses of his household, for horses, or books, or pictures. No one produces and sells simply to get money: we work to get money only for what the money buys. Money is merely a road—not the place to which the road leads.

107. Since, therefore, each person who is producing is looking for a buyer, and since the buyers are scattered everywhere, it is a convenience for both buyer and seller, if some one spot is provided as a common place for meeting. A man having butter to sell may not know who wants butter, but, if there is a place where butter is taken to be sold, he will expect to find buyers there. Such a place is a **market,** or store. This is the way trade goes on. Originally people held fairs, such as the one described by Scott in the "Pirate," or such as are now held annually at Nizhni-Novgorod, in Russia, and at other places where buyers and sellers may meet. Every store is only a species of *fair*. A large dry-goods store in a city is a very large fair. Articles of all kinds are kept on hand, ready for the buyer. The reason that stores exist is that there is a separation of employments. **Merchants** make it a business to open a place where certain goods are kept, so that producers may know where their goods can be offered, and so that buyers who want a particular thing can know where to go to get it. If each person supplied all his own wants, there could be no trade, and there would be no such thing as a merchant or a "business-man." But we have seen (sections 10–12) that it is an enormous gain to have a division of employments, so that the existence of a class of men "in business" and trade, who keep stores where certain goods can be found by any buyer, is a natural consequence of the separation of employments. A great market where

a seller can find a buyer is a saving to both not only in time but in convenience. In European cities you will find fixed spots in the market-places where peasants bring their fruit, vegetables, and fish, and where buyers constantly go. So it is in many places in the United States. There is no difference in principle between a house in which thousands of packages of cotton and woolen goods are kept and a place like the square in Nuremberg where peasants gather to sell fruit and fish. The object is the same. The business-world, then, contains a vast number of "markets," or contrivances by which buyers and sellers can be brought together. It is in the occupations of producing goods to satisfy some desires, and in exchanging them, that the people are engaged whom we see in the noise and confusion of a great city, rushing about hurriedly and without any purpose that we can observe. It is a puzzling sight, because of its seeming intricacy, but the object is not hard to understand. Of course, the detailed process by which the buyer and seller find each other differs with each particular kind of goods, and to understand this practical method is what is meant when one speaks of "learning a business." This is something which can be learned only by experience. No science can teach this beforehand, and yet this thing, which may result, when successfully done, in "getting rich," is by some uninformed people wrongly supposed to lie within the province of political economy. This study, however, discovers the principles governing the exchange of goods; but the actual means of carrying out the exchange is left to the "business-men."

108. It is to be noticed, however, that those persons who become merchants, and devote themselves and their capital wholly to making it possible for producers to exchange their goods, demand payment for their time and the use of their capital in this occupation. This is a charge which all people must pay who deal with merchants; that is, one person sells his eggs to the merchant for 18 cents,

and the merchant demands from the buyer an increase, say, of 4 cents, as his profit. It is evident, of course, that the merchant must get the ordinary rate of payment for his capital and time, or he will give up the occupation. Yet a good many people think that these middlemen, who, like merchants, stand between buyers and sellers, are useless, and the expense of supporting them unnecessary. If, however, they are unnecessary and costly, it is strange that the world continues to make use of them in increasing numbers. In fact, it must seem clear that, **because of a division of employments, some common place of exchange like stores is needful,** and that we can not get along without them. If each person were to try to find a buyer for his products, instead of finding one man who would do that for many persons (and so more cheaply for each), he would waste a great deal of valuable time and money. This is the reason why a vast number of the exchanging class are necessary to the production and distribution of wealth. Of course, if merchants were to become exorbitant or their methods wasteful and expensive, some cheaper means would be devised by which the same exchanges could be carried on. One such method has been devised in co-operative stores, which will be described later on (Chapter XXXIV).

109. Let us take one example of the **way in which exchanges go on** all around us. The man who makes only screws for watches is paid by his employer in money for his screws; with the value of his screws now expressed in money he goes to a retail "market," where a merchant has brought together flour from Minnesota, spices and sugar from the West Indies, sago from South America, etc. There he breaks up the value of his wages into small parts by the use of money, and so gets that which feeds and clothes his family, and in just such quantities as he wants it. So with the manufacturer himself. He has advanced capital as wages, materials, buildings, machinery, etc., to keep

the factory going. His capital is consumed, but it reappears in the form of watches. He finds in watch-stores a market for his goods, and sells them for money; and with the money he then renews his capital and keeps a profit for himself. The money is all exchanged for goods either in materials, wages, etc., or in supplies for his family. Money is in this case only a convenient way of exchanging watches for the objects of the manufacturer's desires. Here, again, money is only a road between the thing produced and the thing desired. In a similar way this can be shown of all other employments. Later we shall see how bankers come in to assist in the same processes of exchange (Chapters XVI and XXXI).

110. The people of the United States, we now see, have a great variety of occupations, because it has been found that there is a gain in having some men engaged in one and some in another process of production. All men can not do all things equally well. By **division of labor men are classified according to their ability and capacity.** It would be absurd to make a great lawyer like Daniel Webster sweep out his office and run errands, because by his talents he could earn enough while a boy was running one errand to hire him for a year. No doubt the lawyer could do the errand as well as, or better than, the boy; but he can confine himself to work which the boy or even most men can not do, and thus he can accomplish more for himself and for the community in which he lives. In the same way, some places are better suited for one kind of production than for another. New England, with its thin, stony soil, can not produce wheat as well as Dakota, while Dakota can not as yet produce cotton prints as well as New England. So it would be as absurd to expect New England to give up making cotton goods and set to work growing wheat as it would be to make the great lawyer run errands. New England is acting on this principle of **division of labor, according to places,**

every day: by making cotton goods in which its advantage consists, it gets a vastly greater quantity of wheat by exchanging its cotton goods for wheat than it would by producing wheat at home. It is hardly necessary to say that different parts of our country are differently adapted for producing the same things. It is a truism to say that no State in the Union is like every other State in its soil, its moisture, its extremes of heat and cold, its forests, its rivers, its mineral resources, and fuel. Every one knows this. This is the reason, then, why there is a separation of employments in the United States, according to natural advantages. At first, in a new State, when the inhabitants are few, they are chiefly engaged on the soil; then, by a natural and inevitable step, as soon as population increases, the separation of employments begins. Carpenters, shoemakers, doctors, lawyers, teachers, cabinet-makers, etc., appear. Some spot, probably, is found to contain rich deposits of coal, or iron, or copper; consequently, the main occupation of the people there will be the mining and transportation of coal or the smelting and rolling of iron. Near Lake Superior copper was found in enormous quantities, and that gave a special character to the employments of that region. With the copper they bought the other things they needed. They could get more of other things, because a day's labor would produce more copper in value than it would of grain or cloth. Lately, new and rich copper-mines have been discovered in Montana, and this has reduced the special advantage of people near Lake Superior. The persons who want copper, however, should be able to get it cheaper if a new and superior source of production is found. In this way, then, we find that there is a separation of employments, owing to different natural resources, as well as to different capacities among men. One has but to consider where sugar, and cotton, and lumber, and tobacco can best be grown to see this truth.

111. If a farmer in Dakota, growing wheat, wants a piano, we can see how he gets it. One set of men in the United States are manufacturing pianos, while he grows wheat. When he wants a piano, why does he not make one himself? The reason is plain. He would evidently waste a vast amount of time even in learning how to do the simplest work in connection with the keys or the strings, and when it was done, with perhaps 700 days' labor, he would have an inferior instrument. Suppose, however, he should set to work to break up more prairie soil, and sow more wheat. By 500 days of labor he might have 1,000 bushels of wheat to offer to some one who, in a separate employment, had been making pianos all his life. He sells his 500 days' labor, in the form of 1,000 bushels of wheat, to a dealer for money, and with the money buys a piano. In this way, by "sticking to his last," and doing the thing for which he was suited by experience and capacity, on land especially adapted for wheat-growing, an amount of wheat was produced in 500 days of labor which enabled him to buy the piano. If he had foolishly tried to make the piano himself when he might have been growing wheat, it would have taken him 200 days more (or 700 days) to produce an instrument which would never be mistaken for a piano, and which would not have had a perfect octave in it. By raising wheat, he produced directly, with the least possible exertion, that which bought the piano for him. He used seed, plows, and land in order to get a piano, instead of using piano-making tools; for the reason that he could attain his object with less labor in the former than in the latter process. On the other hand, the piano-maker could not at the same time carry on his manufactory, buy land, learn how to raise wheat, and finally produce a crop of a thousand bushels as easily as the farmer could. By spending 400 days' labor he might make a piano, which would buy for him 1,000 bushels of wheat; but, if he should set to work growing wheat on his own account, it

might exact 800 days of his labor on the poor soil near his factory. Now see what the advantage is from division of labor:

Farmer in Dakota.	Piano-maker in New York.
500 days' labor gives 1,000 bushels wheat.	800 days' labor gives 1,000 bushels wheat.
700 days' labor gives a piano.	400 days' labor gives a piano.

By spending 500 days of labor in wheat-growing, the farmer gets wheat enough to buy a piano, which would have cost him 700 days of labor. By the principle of division of labor, he saves 200 days of labor, or as much wheat (400 bushels) as he could produce in 200 days, by sticking to one industry. On the other hand, the piano-maker by 400 days of labor gets an instrument which buys him 1,000 bushels of wheat. If he had tried to produce the wheat himself, it would have taken 800 days; consequently, he has saved 400 days of labor by the principle of division of labor. We can even count up the total gain arising from the separation of employments. If the farmer had produced the piano himself, and the piano-maker had grown the wheat, together 700 + 800 days of labor would have been demanded from them. But, if each produces that in which he has an advantage, only 500 + 400 days of labor is spent by both together; and yet each has secured the same satisfaction of his own wants. Without separation of employments, it took 1,500 days of labor to get the wheat and the piano for each; with this separation, according to relative advantages, 900 days of labor accomplished the same results. So it is in all the variety of trades in the United States. **Whatever a man can best produce,** in the least number of days' labor, owing to his capacity and training and the natural resources at his command, **that he will use as the means of purchasing** for himself, by trade with other employments,

the many objects of his own consumption and use. The farmer in Dakota can best supply himself with clothing, carpets, books, plows, and reapers by raising cattle or growing grain, simply on the principle of division of labor. All home trade, then, is the result of this separation of employments.

112. If this farmer should want a silk dress from France for his wife, he would do exactly the same thing as he did in getting a piano. Why should he not produce the silk goods himself? Simply because he would gain more by working with those conditions about him which are favorable for producing the most grain with the least number of days' labor. His wheat and flax are his best means of buying silk. In 100 days' labor he can produce, perhaps, 100 bushels of wheat. But it may happen that silk can be produced in the United States. Then why should he send to France for it? In the United States it requires the silk manufacturer, say, 120 days' labor to make 25 yards of this silk. In France, however, suppose 25 yards of silk can be made in 90 days, while it requires 115 days' labor in France to grow 100 bushels of wheat. France has an advantage in silk over wheat; but in the United States there is an advantage in wheat over silk. Now here are conditions which fit each other, and lead to a trade which would be a gain to both the Frenchman and the American. By producing silk, the Frenchman can buy more wheat; by producing wheat, the American can buy more silk. This is the same result which was reached before in regard to people in the different industries of the United States. Each person, by doing one thing to which he was suited by training and natural resources, was enabled thereby to buy more of other wealth. In the same way we can see how each may gain by the trade between France and the United States. The case of international trade is, then, no different in principle from that of domestic trade:

United States.	France.
100 days' labor gives 100 bushels wheat.	115 days' labor gives 100 bushels wheat.
120 days' labor gives 25 yds. silk.	90 days' labor gives 25 yds. silk.

Imagine a ship leaving the United States with 100 bushels of wheat on board bound for Havre. It is found on reaching Havre that 100 bushels of wheat are produced in France by at least 115 days of labor, and so would be worth more than 90 days' labor in silk (nearly one third more). Consequently, the American wheat would buy more than 25 yards of silk (nearly one third more). With this silk the vessel returns to New York. Now what has been the use of going to France? It is found that the wheat has brought back at least 25 yards of silk (leaving out the one third for freight charges), which in the United States would have required 120 days of labor; that is, 100 days of labor in the United States, when directed to producing wheat, would buy silk from France, after paying all expenses, which, if it had been produced in the United States, would have cost the farmer 120 days of labor. He can thus save himself 20 days of labor by trading with the country which has an advantage in producing silk, when he, on the other hand, has an advantage in producing wheat. Wheat and silk could both be produced in the United States; but one required a less number of days' labor to produce than the other, and that is itself a reason for trade with France. The article **which could be produced more easily by comparison with the other** would be sent to France, and the other brought back. This is the reason for the existence of all foreign trade, and is a very important principle.

113. But, if we think a moment, we see that the same principle determines all home trade. It is simply the

result of division of labor which is the cause of all trade, both home and foreign. The people and countries of the world produce various things with different degrees of ease; England has cheap coal and iron, France produces silk and wine cheaply, Germany produces linen successfully, the United States yields cotton, tobacco, and provisions at a low cost. Owing to this **division of labor, arising from the natural resources** of different places, or from the peculiar training and qualities of a people, there is a separation of employments, just as in all trade within the United States. A person in our country naturally wishes to take his goods where he can get the most for them, and that is where the things he wants are produced at the least cost. When he brings back the products of other lands, he does not want to have any regulations interfere to take away a part of his gain from the foreign trade, and give it to some one else. On one farm A has land which yields potatoes with excellent results; he gets 100 bushels from an acre, but he can raise only 18 bushels of oats. Next to him is a farm owned by B, whose land gives him 40 bushels of oats to an acre, but only 20 bushels of potatoes. Would it be better for A to grow potatoes entirely, or use some land for oats? Let us see. Potatoes sell, we will suppose, for 80 cents a bushel, and oats for 50 cents. At these prices A could get $80 an acre from potatoes, but only $9 if he raised oats. B, however, gets $20 an acre for oats, but only $16 from potatoes. By devoting an acre to potatoes, A could get $80 in money, or enough to buy 160 bushels of oats from B; when, if A had been forced to grow oats, he could only have produced 18 bushels. By producing that in which he has an advantage compared with oats, A gets his oats at less cost to him. He would regard it as a great hardship, indeed, if any one were to draw an artificial line between the two farms, and say to A: "You must produce your own oats, if you want any"; and to B: "You must raise potatoes,

if you want any, and not grow oats alone, and with them buy potatoes from A. It is better that each man should do more things." But B says: "I can buy more potatoes by growing oats than I can by using land suitable for oats in growing a scanty crop of potatoes. A gains likewise. I have less by this new rule; and A has less. It is rank injustice. I do not wish you to interfere, if interference means such a mistake as this." He would most likely say the same thing if A were in France and B in America, for home and foreign trade are carried on in accordance with the same rules. Each arises solely from division of labor.

114. By this explanation we see why it is that a gain is derived from exchanging goods with foreign countries. It seems, at first glance, as if the freight on goods brought from such distant places would be so much as to deter people from trading there. The gain is, of course, greater than the charge for freight, or such trade would not go on. As it is, our foreign trade amounts annually to, perhaps, $1,500,000,000. Goods to that amount would not be exported and imported, if there were a loss in the transaction. Our foreign trade is, moreover, increasing. The real gain is that by sending away our cheapest exports we get more imports than we could get for the same labor at home. As Mill says: "A country obtains things which it either could not have produced at all, or which it must have produced at a greater expense of capital and labor than the cost of the things which it exports to pay for them." He also says: "Setting aside its enabling countries to obtain commodities which they could not themselves produce at all, its advantages consist in a more efficient employment of the productive resources of the world. If two countries, which traded together, attempted, as far as was physically possible, to procure for themselves what they now import from each other, the labor and capital of the two countries would not be so productive, the two together would not obtain from their industry so great a quantity of commodities as when each employs itself in producing both for itself and for the other the things in which its labor is relatively most efficient. **The addition thus made to the produce of the two combined constitutes the advantage of the trade."*** This, also, is the explanation of the gain in all home trade. The gain is not in what we give, but in getting what we receive at a lower cost than if produced at home, or by ourselves.

115. The utility of place is an important factor in causing persons to set an increased value upon goods when carried to the spot where their consumption gives greater satisfaction than at the spot where they may be produced. Goods thus acquire a higher value under this demand, if effective on the part of purchasers, in different parts of the country than in others. This is the justification for railway transportation: it adds a value often much greater than the freight charges from place to place. Wheat gains in value by being sent from the grain fields of the West to the Atlantic seaboard. The Illinois Central Railway made a careful examination as to prices of goods at the place of shipment and at the place of destination. On a total price of goods shipped in the year 1900, valued at the place of shipment at $920,083,726, the total prices of the same goods at their destination was enhanced by $226,272,923 (of which the railway received for its services $11\frac{4}{10}$ per cent). These facts give a concrete illustration of the material gain to the community by transportation.

116. Exercises.—1. A cooper is making barrels. By what means can he pay the expenses of his son at school? Does he use barrels for this purpose?

2. Do you know of any person who produces all the things he uses? Does a hunter? Did he make his tin cup?

3. Why does a tailor go to a shoemaker when he needs a

* "Political Economy," Book III, chap. xvii, §§ 3, 4.

pair of shoes? How does he pay him? Could he pay him, if the shoemaker did not want work done by the tailor?

4. Why is it that the cargo of an ocean steamship coming to the United States is generally made up of a great variety of articles? Why should not all imports be of one kind?

5. A farmer came into a store in town and exchanged calico for his eggs. Was he a buyer or a seller? If he had sold his eggs the week before for money, and now offered the same money for calico, would there be any difference in the trade?

6. One manufacturer is producing stoves. Who are his consumers? Is he a consumer of anything? If so, can he be a consumer and a producer at the same time? Mention, if you can, a producer of something who consumes nothing. When a pencil is made, is anything consumed?

7. Why is it that a country store keeps a little of everything, while many city stores, as china stores, bird stores, stationery stores, etc., sell but one kind of thing?

8. Why is it right that a retail merchant should charge a higher percentage on the price of the goods he sells than the wholesale merchant? Even if a retail dealer does a small business, must he not have a store open all the time?

9. A boy bought a stylographic pen made of rubber. His father gave him the money. Lately his father, a lawyer, had successfully won a suit for a maker of colored beads. The maker of the pen brought the rubber from Africa. Trace the various steps by which the exchange for the pen and the money was effected. Was the bead-maker paying the natives who collected the rubber in Africa?

10. Some mountainous districts of Alabama are found to contain rich deposits of coal and iron. If the people there want carpets, what is their best way of satisfying that want? Would coal-miners make carpets as well as they are made in factories built for that purpose?

11. Why should a Texas ranchman send his cattle to the East, and with his money buy clothing to take home? Why could not each ranch have a woolen-mill or a tailor-shop? Why should not each ranch also have a physician, a teacher, a shoemaker, a carpenter, a sugar-refinery, a rolling-mill, and a button-factory?

12. Why is it that trains go in opposite directions carrying goods? Does a railway company generally carry loaded cars in one direction, and bring back empty cars in the other direction?

13. In a mining region mention some of the things which are probably brought by the railways to the district, and some which are carried away.

14. Would the great ocean steamships be built, if each country were as exclusive as China, and shut itself in with a wall?

15. Would a State be richer if it had no railways or steamboats? Why is it that a district "builds up" when a railway passes through it?

16. Think of something which we send abroad, and of something which we import from abroad. Then state what are the advantages enjoyed in the production of the thing we export. Try petroleum or provisions as exports.

17. Is the United States richer for its foreign trade? If we were forbidden to import anything, would it cost us more to produce at home the things we now import? Why are they now imported? If a country gets more wealth by importing a few things, why would it not gain by importing many things? Would people import, if there were no gain in it? If there is a gain, why should it not be allowed? Ought not imports to be increased, if it is desired to increase a country's wealth?