



# Economics for Boys and Girls

LEONARD E. READ

*Train up a child in the way he should go: and when he is old,  
he will not depart from it.*

—PROVERBS 22:6

TIME AND AGAIN we have been asked to devise economic instruction for the youngsters, the thought being that it's the oncoming generation that counts. And, just as often, we have shaken our heads, pleading ignorance of how to go about it.

Trying to devise economic lessons for grownups has seemed difficult enough, for only now and then is there an adult who shows any interest in or aptitude for the subject. But we have tried, and over the years of trial and error, it has seemed that our best approach to adults is to leave them alone until they seek such instruction or light as we may come to possess. In other words, our job, as we now see it, is to concentrate on improving our own understanding and practice of freedom, with faith that others will be attracted precisely to the extent that we are able to show self-improvement.

Thus, we are constantly striving to better understand and explain and apply the economics of specialization and the division of labor, freedom in transactions, the marginal utility theory of value, and reliance on the orderliness of the free market as a guide to creativities and exchange.

Is there a way to present such complex ideas to children so that they might be attracted toward the free market way of social behavior? Perhaps. But first, let us consider our raw material, the youngsters we would teach.

There are those who contend that every baby starts life as a little savage; that he is equipped, among other things, with organs and muscles over which he has no control, with an urge for self-preservation, with aggressive drives and emotions like anger, fear, and love over which he likewise has practically no control, and that in the process of growing up, it is normal for every child to be dirty, to fight, to talk back, to disobey, to evade. *“Every child has to grow out of delinquent behavior.”* So runs this argument. For my part, however, I take small

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comfort in this Freudian view of the genesis of the human race. I would much prefer to think of the child as a budding plant with all the potential for beauty and happiness which such a growing organism portends. In each case, of course, there may be from the adult point of view, apparent disorganization, lack of coordination, and disharmony. Yet, the potential for harmony and beauty is there.

Whether the child be considered a brutal barbarian or a budding beauty, the challenge is to help him emerge from a state of ignorance as to his relationship with others and into harmony with the universal laws which govern the human situation. The child is an extension of the parent's responsibility, and that responsibility includes pointing the child in the direction of sound economic understanding. I shall hint at, but by no means exhaust, the possibilities:

### **If you drop something, pick it up.**

This is easily taught, especially by parents who observe this dictum themselves. It is elementary training in assuming a responsibility for one's own actions, that is, of not burdening others with one's behaviors. A child who takes this simple first step in self-control—should the steps continue and become habitual—will likely, when attaining adulthood, look to himself rather than to the rest of us to bail him out of economic difficulties brought on by his own mistakes. He will, more than likely, not be a burden on society.

A genuine mastery of self-control tends to develop a rare and valuable faculty: the ability to will one's own actions: Such a person will not be tempted to shift his position by reason of pressures, fickle opinions, popular notions, and the like. He will become his own man.

Picking up what you drop has its reward in orderliness of mind. When it becomes second nature, it is a joyous habit and on occasion leads to picking up after others. Projected into adult life, this shows up as a charitable attitude—in the Judeo-Christian sense—one's personal duty toward the less fortunate.

### **If you open a door, close it.**

This is a sequel to the above; it is merely another practice that confirms the wisdom of completing each of life's transactions.

An inevitable dualism bisects nature, so that each thing is a half, and suggests another thing to make it whole; as spirit, matter; man, woman; subjective, objective; in, out; upper, under; motion, rest; yea, nay.<sup>1</sup>

For child training, I would add: drop, pick up; open, close; and others.

### **If you make a promise, keep it.**

Social chaos has no better ally than broken promises. Children not brought up to keep their word will be the authors of treaties written not to be observed; they'll run for office on bogus platforms, cancel gold contracts, use the political means to expropriate property; they'll sell their souls to gain fame or fortune or power. Not only will they fail to be honest with their fellow men; they will not even heed the dictates of their own conscience. On the other hand, children brought up to keep their promises will not go back on their bond, come hell or high water. Integrity will be their mark of distinction!

### **Whatever you borrow, pay back.**

This is an extension of promise keeping. An adherence to these admonitions develops a respect for private property, a major premise in sound economic doctrine. No person, thus brought up, would think of feathering his own nest at the expense of others. Welfare statisticians and social planners are not born of this training, that is, if the training really sinks in. True, a socialist will honor debts incurred in his own name but will disregard any indebtedness he sponsors in the name of "the public." He has not been brought up to understand that the principle of compensation applies "across the board."

### **Play the thank-you game.**

It will take a brilliant parent and a mighty perceptive child to get anywhere with this one. I can set forth the idea but not how to teach it. The idea, once grasped, is simple enough, yet so evasive that, in spite of the 33,000 years since Cro-Magnon man, it was only discovered a bare century ago: The value of a good or service is determined not *objectively* by cost of production, but *subjectively* by what others will give in willing exchange. Economic science has no more important concept than this; the free market has no other economic genesis than this subjective or marginal utility theory of value. Indeed, it is most accurately identified as the free market theory of value.

To repeat an illustration used earlier: When mother exchanges 30¢ for a can of beans, she values the beans more than the 30¢ and the grocer values the 30¢ more than the beans. If mother valued the 30¢ more than the beans, she wouldn't trade. If the grocer valued his beans more than the 30¢, he wouldn't trade. The value of both the 30¢ and the beans (excluding other considerations) is determined by the two subjective judgments. The amount of effort exerted (cost) to obtain the 30¢ or to acquire the beans has nothing to do with the value of either the beans or the 30¢.

I repeat, the value of any good or service is determined by what it will bring in willing, *not forcible* or unwilling, exchange.<sup>2</sup> When the 30¢ is exchanged for the beans, the grocer concludes the transaction with "Thank you," for, in his judgment, he has gained. There is precisely the same justification for the mother to say, "Thank you," for, in her judgment, she has gained. It wouldn't be at all amiss to describe this as "the thank-you way of economic life."

This concept of value, be it remembered, was practiced off and on by the common man ages before economic theorists identified it as the efficacious way of mutually advancing economic well-being. And, by the same token, the child can be taught to practice it before he can possibly grasp the theory. In exchanging toys or marbles or jacks or whatever with another, can he not play the thank-you game? Can he not be taught to express the same “thank you” himself as he expects from his playmate? That something is wrong with the trade if this is not the case? That both have gained when each says, “Thank you”? Accomplish this with a boy or girl and you have laid the groundwork for sound economic thinking.

**Do nothing to a playmate you wouldn't enjoy having him do to you.**

Moral philosophy is the investigation into and the study of what's right and wrong. Economics is a division of this discipline: the study of right and wrong in economic affairs.

The free market is the Golden Rule in its economic application, thus free market economics is dependent on the practice of the Golden Rule.

That the Golden Rule can be phrased and taught so as to be completely perceived prior to adolescence is doubtful. Its apprehension requires a moral nature, a faculty rarely acquired earlier than teen-age—in many instances, never!

But the effort to teach the Golden Rule to boys and girls will, at a minimum, result in a better observation of it on the parent's part. Children—highly impressionable—are far more guided by parental conduct than by parental admonishments. Thus, the attempt to teach this fundamental principle of morality and justice, *resulting in highly exemplary behavior*, may lead the child first to imitation and then to habitual observance and practice.

Writing the above, which only hints at how boys and girls may get off to a good start in economic thinking, has supplied the missing explanation to something I have known for several years: *women are more hopeful prospects than men in the contest between free market and authoritarian ideas!* In our seminar activities, we have found the distaffers better students than the mill run of males, as well as more idealistic and less compromising. Beyond this, it is the mothers, rather than the fathers, in whose care the citizens of tomorrow are largely committed. It is primarily the mothers who will refine the methods for getting boys and girls on the track of sound thinking.

But mothers or fathers, it is the parents who are responsible for the generations to come and who also are responsible for the kinds of people who assist in teaching their children.

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1. Excerpted from *Compensation* by Ralph Waldo Emerson.

2. TVA, Post Office, and a thousand and one other deficits, are paid or by forcible exchange. Moon specialists are paid by forcible, not willing, exchange. This goes, also, for all governmental subsidies.