

ket. If people know that strawberries will sell for half-price at 9:00 o'clock on Saturday evening they will wait until the last moment and then come in. So, in order not to destroy the market prices nowadays are remaining the same. Although, at times, the store would rather give the goods away to charitable institutions rather than sell them at a lower price.

In attempting, then, to apply this proposition in practice, and to predict whether a decline in a given price will increase the sale of a product, we must know the assumptions upon which the principle rests and the extent to which it is fulfilled by the practical situation. The importance of assumption then, in economic reasoning, cannot be over-emphasized.

One of the most important assumptions underlying all economic reasoning is that of the rationality of human conduct. By rational conduct, from the viewpoint of economic reasoning, we imply that given a choice among several lines of conduct a rational individual will try to select that course of action which will seem to him to promise either the greatest amount of satisfaction or the least amount of dissatisfaction. For example, if offered a choice between articles of the same kind at different prices, the rational individual will choose the cheapest. Now, we accept that. But the same thing, for instance, doesn't work in Japan. If a Japanese businessman places an order it has a kind of sequence to whom he will give the order. In the first place, it may be a member of the family, his best friend or a friend he has had for many years; but it has nothing to do with whether the produce it 2¢ or 3¢ per unit cheaper or not.

In the Western sense, then, the Japanese businessman - until quite recently - was not rational. Because, when we say that the Japanese are now becoming more and more Western-oriented, Western-business-minded, it indicates that they are at the same time rational in the economic sense; meaning they take that price which is the