

cheapest.

Now, I said that the rational individual will choose the cheapest. Or, if offered a number of distasteful jobs at the same time, at the same rate of pay, the rational individual will choose that one which promises to be the least distasteful. That seems logical, doesn't it?

The economist is not trying to explain the ultimate causes that motivate the rational individual. Why rational human beings desire to ornament themselves with diamonds is a matter for the psychologists to explain. But given the fact that people do desire them, and that diamonds are scarcer in relation to human wants than, let us say, shoes or socks, the economist can explain why the price of diamonds is higher than shoes or socks under ordinary circumstances.

Another strong force which tends to modify or influence the economic conduct of rational individuals, is social habit or custom. When an economically rational individual is confronted with a social custom that forbids a course of conduct that he does not like he has a number of possible alternatives to consider. He may conform to the custom; he may try to evade it; he may openly defy it; he may try to have the custom abolished or changed. The alternative he chooses will depend upon the intensity of his desire to do the forbidden act, and upon the relative degree of dissatisfaction promised by the different alternatives.

We are straying somewhat into the realm of sociology, and yet when we realize that prohibition provides an economic incentive for the bootlegger; that high taxes encourage the evasion; and that styles and changes of styles can result in prosperity or bankruptcy for the businessman, then we see the importance of social habits, customs and laws in influencing our economic actions.

In explaining the economic life of our society, then, we must devote our main attention to the rational economic calculations of the average man. As such, we