

INDUSTRIAL PRICE POLICIES AND ECONOMIC PROGRESS

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DIRECTOR'S PREFACE

As explained at some length in the introductory chapter, this book proceeds from the general analysis developed in a former Brookings Institution publication, *Income and Economic Progress*, by a process of "getting down to cases." On the basis of a comprehensive view of the actual complexities amidst which the business man works, it seeks to discern the constructive implications of what is already being done by pace-makers in this field and to envision the results to be expected if these constructive lines of business practice were widely followed.

This approach looks toward inductive development of a positive theory of the pricing process in the real and dynamic world evolving about us. The authors believe that this will have more practical usefulness than destructive criticism of current price mechanisms on the ground that they depart widely from the principles of competitive price which were developed out of the conditions of older and simpler economies.

The fact that the authors are receptive to these newer developments of our price economy by no means implies that they are blind to the great imperfections by which it is still beset, nor complacent about the continuance of these defects. Their treatment of the problem does, however, imply a certain strategy for the attack on social problems. It puts major emphasis on discovering and pushing forward those dynamic elements out of which progress may be made, with secondary emphasis on the eradication of retarding or destructive features, many of which are normally left behind in the process of vigorous growth. It is believed that such a course leads to more rapid progress than would come from concentration on

the elimination of specific abuses from a system conceived as essentially static.

At the present time, no doubt, most readers tend to think of any price discussion as focused on the immediate problem of depression and recovery. This study, however, like the former series on the distribution of income in relation to economic progress, is not directly concerned with the present depression or with depression causes or cures. Whatever its immediate applications, its analysis of price policies is concerned with economic hygiene rather than emergency treatment of acute illness.

The committee of the Institute which cooperated with the authors in the preparation of this volume consisted of Harold G. Moulton and Harold B. Rowe. Acknowledgment is here made to Spurgeon Bell in connection with Chapter II and to Leverett S. Lyon in connection with the NRA section in Chapter X and "Legal and Administrative Influences" in Chapter VII. The authors also express their appreciation of the information furnished and counsel given by numerous business men and government officials. Special mention is made of Professor Gorton James who, before his untimely death, served on our staff during the early stages of work on this project.

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EDWIN G. NOURSE
Director

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