

FROM ECONOMIC THEORY TO POLICY

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To R. C. MILLS

Teacher, Colleague, Friend

PREFACE

THIS book, which began to take form some years ago as a study by an academic economist engaged chiefly in teaching and research at Sydney University, developed into a destroyer of leisure for a person increasingly immersed in the practical affairs of Australian state and Commonwealth governments. It was originally intended that it should contain, in addition to a discussion of the problems involved in the application of economic theory to policy and of the changes which are required in the economist's equipment, some illustrative essays in the application of economic theory of the type sketched in these pages. The discussion of theory, however, assumed larger proportions than I expected, and any further analysis of concrete problems would have made the book unduly long. It is my hope that I may be able to undertake a portion of the revision of economic theory which is here represented as necessary, if theory is to make the greatest contribution to policy; and I had intended that this work should be followed by one on international trade—a field in which the points developed here might receive considerable elaboration. For the present, however, it would seem that any further considerable work in economic theory must be classed, as far as I am concerned, among the things one hopes for as part of post-war reconstruction.

I have had useful comments on particular points from Messrs. R. J. Heyward, S. J. Butlin, R. G. Osborne, and John Burton; and from my brother, K. F. Walker. The Index was prepared by Mr. J. S. G. Wilson, and the typescript by Miss Una Shaw. To all these I extend my sincere thanks.

The work would never have reached its present stage if it had not been for the encouragement of two others. Mr. Hartley Grattan urged me to have my book published in the United States and by his continued interest impelled me to make the final effort to bring it to completion, shortly before I was called to my present position at the end of 1941. My wife has heartened me when I have despaired of finishing it and supported, with the utmost patience and good humor, the sacrifices which my preoccupation has imposed on her. Beyond this she has assisted me to see the problem of objectives more clearly than would have been possible without her help.

Publication has been delayed by the outbreak of war in the Pacific

and might have been postponed indefinitely but for the good offices of Professor J. B. Condliffe, of the University of California. I am very grateful to him for finding me an American publisher, and to the University of Chicago Press for its interest in the work of a distant scholar.

The book is dedicated to Professor R. C. Mills, head of the Department of Economics of Sydney University and chairman of the Commonwealth Grants Commission, who, as my first teacher and colleague, has taught me much more than economics. I would like to think this book worthy to be offered in tribute to one who always inspires his students and colleagues to give of their best; and, whatever his judgment of it as a work on economics, it carries my admiration and affection.

E. RONALD WALKER

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