

ESSENTIALS OF ECONOMIC THEORY



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AS APPLIED TO MODERN PROBLEMS OF INDUSTRY AND PUBLIC POLICY

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PREFACE

IN a work on the "Distribution of Wealth," which was published in 1899, I expressed an intention of offering later to my readers a volume on "Economic Dynamics, or The Laws of Industrial Progress." Though eight years have since passed, that purpose is still unexecuted, and it has become apparent that any adequate treatment of Economic Dynamics will require more than one volume of the size of the present one. In the meanwhile it is possible to offer a brief and provisional statement of the more general laws of progress.

Industrial society is going through an evolution which is transforming its structure and all its activities. Four general changes are going on within the producing organization, and the resultant of them, under favorable conditions, should be an enrichment in which all classes would share. Population is increasing, capital is accumulating, technical methods are improving, and the organization of productive establishments is perfecting itself; while over against these changes in industry is an evolution in the wants of the individual consumer, whom industry has to serve. The nature, the causes, and the effects of these changes are among the subjects treated in this volume.

The Political Economy of the century following the publication of the "Wealth of Nations" dealt more with static problems than with dynamic ones.