74 <u>Marekets, free and otherwise</u>

Until recently--and except for Chamberlin's theory of distinct product markets, rather than homogeneous price markets in an industry--there had been a lack of comprehensive theory as to the character of actual market structures in the contemp9rary economy. Within the last decade, a rough conseensus has emerged--though the terms vary. This is what Sir John Hicks has called the "fixprice" and the "flex-price" markets, or what William Nordhaus of Yale (and the late Arthur Okum) hace alled "auction" and "administered or customer" markets.

75 Sir John Hicks in 1973 lectures:

For those marekts whose prices are set by producers, which include a large part of markets for industrial product, the "fixprice" assumption makes good sense.

But these also are speculative markets (such as markets for staple commodities; and financial markets) in which flexprice is more realistic than fixprice.