

the ribbon development of colonies along the coastal routes, and the strange efforts of our Colonial Office to keep separate, contiguous British territories in eastern Africa, in spite of departing substantially in recent years from the dual mandate principle in favour of "colonies d'exploitation". He concludes with the suggestion that only the geographer with a foot in each of the camps tenanted by the humanist and the natural scientist, is fitted to seek answers to the problems he raises, and is unbiased enough to propose solutions which it is incumbent on European nations generally, and ourselves in particular, to find, in order "for the sake of our own good name" to remedy the administrative and social chaos which is Africa.

### THE PRICE SYSTEM

IN his presidential address to Section F (Economics), Sir Hubert Henderson remarks that the idea of a return to the price system which is widely advocated to-day is marked by the same defects that marred the idea of economic planning which was so popular a year or two ago, namely, incoherence and wishful thinking.

In its most general sense, the price system is an inevitable outcome of the use of money. So long as goods and services are bought and sold for money, there must be prices; and these prices must always exert a powerful and pervasive influence. It is important, therefore, that this influence should be a healthy one, that the configuration of prices should be such as to pull in directions which accord with the public interest. We want price relations that are right, so far as that object is attainable. But we must be careful not to beg a major question. In the matter of price relations, as in many others, it is easier to be sure that certain things are wrong than to know at all precisely what is right.

According to current price system ideology, the right price is the theoretical equilibrium price. In times of large-scale economic maladjustments, however, this concept is ambiguous. The theory of value comprises two parts, short-term and long-term, each with its appropriate equilibrium price. These prices are seldom far apart in ordinary times, when the economic system has not been subjected to any recent large disturbance. But they are apt to diverge widely when the maladjustments to be corrected are very large. It is a mistake to suppose that in such conditions the theoretical short-term equilibrium price is either what we want, or what we normally get in a free economy. There are apt to be serious and injurious anomalies in price relations when shortages are widespread.

Shortages, or surpluses, are, of course, most widespread, and the consequential anomalies most serious, when there is a large maladjustment between aggregate demand and aggregate supply. It is therefore especially important to avoid disequilibrium here. In Great Britain at the present time it is rightly a main object of policy to remove the inflationary trend in our economy. Success in this might enable us to dispense with many of the controls that irk us to-day, and to simplify others. But it would not enable us to remove them all. The regulation of long-term capital expenditure would still be desirable for a fairly considerable time, and the regulation of imports indispensable for a much longer time.

If the consuming public were free to choose, there is no reason for supposing that imported goods would

represent a smaller fraction of their total purchases than before the War. Since our total rate of consumption is at about the pre-war level, this would imply imports at about the pre-war level; or an increase of more than one quarter in our present import-bill. The removal of every vestige of inflation in our internal economy, though helpful, could not radically alter this result. With a huge deficit in our current balance of payments, we are in no position to contemplate a largely increased expenditure on imports.

Price system ideologues believe that disequilibria in the balance of payments can always be corrected by variations in foreign exchange-rates. This belief is attributable to the pivotal role which they assign to the concept of equilibrium price. When, however, our import-export balance is so far from adjustment, there is a huge divergence between the short-term equilibrium rates of exchange and the long-term norm represented by purchasing-power parity. It might be disastrous to try to make our actual exchange-rates approximate to the former. It is better to keep them in the neighbourhood of purchasing-power parity; and to recognize that it will remain essential to regulate the volume of our import purchases as effectively as we now do by means of import restrictions.

More generally, the time-honoured theory of value endorses, and indeed enjoins, the humdrum practical proposition that, when large adjustments have to be made, regulation and deliberate direction may be useful or even indispensable.

### THE YOUNG ENGINEER

IN the presidential address to Section G (Engineering), Wing-Commander T. R. Cave-Browne-Cave deals with the qualifications and personal qualities necessary in 'the young engineer', and treats the problem of engineering education from an unusual point of view because his experience has been in the application of engineering science to a wide variety of new developments, mainly in connexion with airships and aircraft engines. Since going to University College, Southampton, he has been dealing not only with students preparing for the external degree of the University of London, but also with apprentices following part-time courses for national certificates and still more practical qualifications. The review is based upon the knowledge and personal qualities which a young engineer should have acquired shortly after the end of his formal training, say at the age of twenty-eight to thirty, and may serve as a guide to those who are considering engineering as a career. It may also be taken as a background against which the various stages of engineering education are examined.

Mathematics is a limiting factor in the progress of a student along the main road of engineering science. It must, therefore, be of a really appropriate type and no harder than is necessary for each corresponding stage.

The general structure of engineering education should be revised so that it is possible for candidates to enter at any appropriate stage. Changes from one course to a more suitable one should be simpler than at present, and there must be fewer 'casualties' who fall out and go no further. Courses of instruction should be aimed, not at a final examination, but at the future useful application of the knowledge acquired.