

eminent explorers in person: "A noble procession of explorers passed across the stage of the Section"—Burton and Speke, Livingstone and Stanley, Wallace, Sturt, Palgrave, Scoresby, Ommaney, and many more.

The standing of geography as a true science was viewed with doubt by scientific purists. As a result, geographers and others disputed the question 'What is geography?' at greater length than was justified. The Section never actually debated this question; but a succession of addresses and papers attempted to answer it in various terms: those who in the earlier years of the Section saw the answer most clearly were Strachey and Clements Markham. The present address tries to show that "what Geography has achieved in the century we are reviewing, and what Section E has very effectively aided in achieving, is to demonstrate an outlook wider in horizon than those of the other departments of science with which it is associated, and to help to bring them into a harmonious focus".

By means of examples from the sectional transactions, the developments in British geography in various directions are traced—survey and cartography, geomorphology and the introduction of natural regions by Herbertson, human geography, and geography as an educational subject. Occasion is taken to refer to the work of many of the leaders in the development of geography—Keltie, Mackinder, Mill, Chisholm, Dickson, Geddes, Roxby and others. Dr. Howarth had personal contacts with some of these; but has not ventured into the fields of the work of those who have come after them and still are active. He suggests, however, "that in the century which is past British geographers have enunciated their principles and begun to apply them; have indeed applied them so far that the time is ripe to express them, not only in terms of individual researches (as is done) but in terms of a new geographical encyclopædia"—a suggestion easy to make, but less easily carried out "against the barrier of present-day costs".

Following upon the remarks on geography in education, it is suggested that to foster the instinct for admiring and preserving natural beauty is a function of geographical teaching alongside the organizations and individual activities which work to that end. "In this connexion we owe constant attention to the literary side of our subject, for much can be achieved by well chosen words, whether with or without opportunity for visual guidance." Geographical works are not the only sources of inspiration: by way of example, an illustration is quoted from the work of Robert Louis Stevenson.

There is an appendix to the printed version of the address, in which very brief biographical notes are provided of some seventy geographers and supporters of geography mentioned in the text.

NATURE OF PROFIT

TO the questions what profit is and by what causes it is shaped and determined, economic science has not yet supplied answers which command general agreement. In his presidential address to Section F (Economics), Prof. R. G. Hawtrey points out that the classical economists, Adam Smith, Ricardo and Mill, recognized that profit must be

distinguished from interest. Profit is the remuneration of the active head of an enterprise, whereas interest is paid, for the use of money, to a capitalist who takes no active part. The profit remaining after providing for interest is, therefore, remuneration for services rendered. But it differs from a wage or salary in that it is proportional to the magnitude of the trader's business, so that an expansion of the business may mean an indefinite multiplication of his income.

Marx accepted the classical view of profit and went so far as to describe the profit-making capitalist as a 'wage labourer', but with the qualification that the wages which he claims "do not depend on the degree of his exertions".

Marshall's treatment of profit had an apologetic flavour. He approached the subject from the point of view of a representative firm, one not exceptional either in efficiency, size or luck. The profit of such a firm would not be more than fair remuneration for services rendered. The rate of profit would vary widely. But an essential part of the cost of using capital is risk of loss, and uncertainty means inequality. However, it was the concentration of industry in big units that Marx had attacked, and Marshall's representative firm did not pretend to offer a defence against that attack.

Marx had in mind the concentration of industry that mechanization makes possible. But there had been from time immemorial another kind of concentration, that of the large-scale merchant's business.

The purpose of production is to meet needs, and the function of the merchant is to marry the product to the needs which it is to meet. It is a skilled service remunerated by the difference between buying price and selling price—in fact, by profit; and the merchant's income has the special characteristic of profit, that it can be multiplied in proportion to his transactions. The merchant's profit is the remuneration of selling power. It is paid for his skill in selecting goods to suit the needs of consumers and users. The industrialist is no less a seller than the merchant, and his profit is likewise the remuneration of selling power. He has also other responsibilities, but can delegate them to a salaried staff. The responsibility for selling attaches inseparably to the *owner* of the product to be sold.

How then are profits determined under competitive conditions? The profit margin in any trade must be such as to secure a reasonable income to a newcomer. It will be regulated by the *magnitude* of the business that the newcomer with his command of capital and business connexion can expect. Even the passive shareholder, being part-owner of the product to be sold, gets more than bare interest on his money. That is his reward for making a wise selection among profit-makers to whom to tie his fortune.

Concentration of selling-power is more productive of near monopolies than concentration of industry, but is not always so serious an abuse as appears. The big concern can afford to be content with a narrower profit margin than the small; and the accusation is usually not that its prices are extortionate, but that it treats its competitors harshly.

Profit-making is attacked nowadays from within the capitalist system. The advance of democracy has given an equalitarian bias to taxation. Here the danger is a destruction of saving at its most fruitful source.