

governmental systems have achieved such duplication and lack of co-ordination that effective application of public capital is often precluded.

And it is to be feared that this lack of co-ordination in efficient direction of capital may be given a much wider application even than that due to competition between the States. The supply and demand functions of capital investment have, in the past, been conducted to far too great an extent within mutually exclusive departments. Borrowing and lending on the international scale has been too casual and disjointed a business. Experience goes to show that the people accumulating savings are not necessarily the most efficient persons to decide how that capital should be applied; and the too-ready extension of loan facilities in the past has often, in the broad sense, resulted in a wastage of capital. But the situation has altered to an extraordinary extent in the last decade, and a much more scientific attitude towards the expenditure of savings is being forced upon both borrowers and lenders by the needs of a capital-starved world. The intense demand for the available supplies is compelling the utmost economy in the use of capital, and organization to prevent misapplication is gradually taking shape. What is needed is a closer partnership in the matter of capital application between the market with its generalized supply knowledge, and governments, industrial groups, and individual entrepreneurs with a specialized demand knowledge of the facts of the situation.

Arising from these conditions is a further consideration affecting the organization of research into the economic effects of capital expenditure. Under present conditions individual research workers are attacking isolated phases of a problem that constitutes a scientific whole. The results of their investigations are brought together only through the medium of publication in the journals of learned societies or through their own published works. This detachment and independence in the business of inquiry may have important advantages, but it has corresponding drawbacks of a very marked kind. Too great an interval elapses between the successive advances into the field, and great wastage of effort occurs in the process of investigation. Whilst research foundations have done a great deal towards setting apart a selected body of trained investigators, little