

production and demand, and the investment of capital or energy in the right form, direction, and countries for such adjustment to be achieved. But it is truer to say rather that we have not yet advanced the financial mechanism that we need to the same degree in the international as in national spheres. The present depression is more than cyclical: it is caused by world-wide maladjustment, and has to be explained by reference to causes of international significance.

Be that as it may, however, ^{that part of} unemployment due to cyclical fluctuations is a problem which, because it is ^{still} recurrent, can only be met by a long-period plan.

Economic Progress and Technical Change.

(3) The third group of causes, which are also continuously in operation in greater or less degree, are those inherent in economic progress and industrial change. But the unemployment to which the general term "technological unemployment" has come to be applied is in fact a composite phenomenon due to a variety of processes of differing importance in different countries. In U.S.A. and Canada those processes have been bound up with the exploitation of power and other resources, the growth of new industries, and the realisation of higher standards of living. The development of cheap hydro-electric power, the more economic utilisation of coal and the fuels which compete with it, the automobile, the radio, and the frigidaire, are only examples which indicate the general trend. In Great Britain these trends are by no means absent, but they are accompanied by the progress of a "rationalisation" movement in the basic export industries which involves amalgamation as well as ^(sometimes instead of) technical improvement, and which is a reaction to depression and falling prices, competition in foreign trade, and rigidity of wage-rates, as well as participation in general economic evolution.