

The body of unemployment to which such causes give rise is the joint product of "capital-substitution" - and the latter applies to agriculture and construction as well as to manufacturing; "labour-substitution" - since these changes involve the substitution of some types of labour by others; and "organisation-substitution" - the reduction or change of labour-force as a result of amalgamation. It is an old problem - the problem of displacement due to mechanical invention - in a new and complex guise, and its magnitude is unquestionably great. It is not to be dismissed as being inherent in a dynamic economic system producing an ever greater variety of products, or on the grounds that greater productivity is the one condition that will enable the eventual reabsorption of labour; even though these generalisations are true. The period elapsing before reabsorption takes place is of vital importance to the worker, and what may be a short spell of unemployment when we are considering industrial progress in the large is a long period for the individual, quite possibly too long - in the absence of an organised labour market or of organised unemployment provision - for him to retain his efficiency and skill. And while technological changes are specially liable to affect the more skilled and specialised part of the nation's labour force, there is nothing inherent in the situation which is likely to ensure that the particular types of workers displaced are those for which increased production will provide a demand.

International Post-War Causes

(4) The causes special to the last decade are mainly international in scope, and directly or indirectly economic repercussions of the World War. It may be argued that, even admitting that for economic purposes the war did not end until 1920, its effects have by now been exhausted: but future economic historians may well extend