

ASPECTS  
OF THE  
SOCIAL PROBLEM

BY VARIOUS WRITERS

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## VII

### THE INDUSTRIAL RESIDUUM<sup>1</sup>

By H. DENDY

I AM particularly anxious to make it clear from the first that nothing of what I have to say applies to the class of genuinely self-supporting wage-earners, to those workers whom we may call the true industrials. At every turn of their daily life the two classes meet and influence each other, they are connected by every tie of mutual service and dis-service ; to the casual observer their dress, their food, their living accommodation, even their work, is the same in kind if not in quantity. Yet striking right through this superficial resemblance, and reducing to comparative insignificance (for our present purpose) all social and family alliance, we may find a fundamental distinction which can only be intensified by any attempts to obliterate it by artificial means. It is a difference of character and disposition, and it is to this difference of character and its economic results, rather than to any numerical investigation, that I specially wish to draw attention. The qualities which are characteristic of members of the Residuum are not distributed with any reference to money income, and for this reason it is impossible to base a calculation of their numbers upon any estimate of earnings. Moreover, I know of no important general proposition that can be laid down about all the individuals who are in receipt of small incomes, nor about those in receipt of large incomes ;

<sup>1</sup> Read at the Economic Club, 10th January 1893, and published in the *Economic Journal* for December 1893.

except, perhaps, that the latter will be more comfortable than the former, and this is only an approximate generalisation. But by taking as a ground of classification some fundamental characteristic of the individual, some disposition or habit which will determine his actions, it may be possible to mark out a development in human nature which will repay study. The most trivial accident of birth or fortune may enable a true member of the Residuum to conceal himself in that section of society which Mr. Giffen characterises as the upper barbarians, or may force a respectable man to take temporary refuge in an East End slum; but while such freaks of fortune would hopelessly disarrange figures, they will in no way affect our knowledge of how the one or the other will be likely to act under given circumstances.

What then are the characteristics of the class? Measured by the economic standard they are rather negative than positive. The ideal economic man, as we know, is remarkable for his foresight and self-control; in the Residuum these qualities are entirely absent. In place of foresight we find the happy faith which never fails, that "something will turn up," and instead of self-control the impulsive recklessness which may lead indifferently to a prodigal generosity, or an almost inconceivable selfishness. The true type of this class lives in the present moment only; not only is he without foresight,—he is almost without memory, in the sense that his past is so completely past that he has no more organised experience to refer to than a child. Hence his life is one incoherent jumble from beginning to end; it would be impossible to make even a connected story out of it, for every day merely repeats the mistakes, the follies and mishaps of yesterday; there is no development in it; all is aimless and drifting.

This description may seem overdrawn, but it is based upon an accumulation of experience to which it is difficult to give tangible form. To fully realise the facts it is necessary to live amongst these people, to see them day after day, watch their extraordinary freaks, and feel the burden of their total irresponsibility. But I should like to

suggest to those who are more familiar with the wealthy section of the Residuum, whether they do not find exactly the same characteristics amongst people whom mere accident of birth has separated from their natural surroundings. There is the same insuperable aversion to steady work, the same self-indulgence, the same eager devotion to trifles and absorption in the interests of the moment. All that they need to complete their likeness to their poorer brethren are the dirty homes and squalid surroundings, and if they were left for only a week to their own exertions there can be little doubt that these also would appear.

This absence of the economic virtues is, of course, only one aspect of a very strongly marked type of character; it accompanies a low order of intellect, and a degradation of the natural affections to something little better than animal instincts. It would take me too long to go far into this matter, but in corroboration of the view I may indicate briefly one or two of the more striking facts which we constantly come across in dealing with these people. Take, for instance, their frequent inability to give the number of the house in which they live, or even the name of the street; when this is combined with their complete ignorance of the points of the compass, and failure to distinguish between the right and left hand, the rational man has dropped very low on the scale towards the sagacious animal, which finds its home easily enough, but has no power of communicating its whereabouts in language.

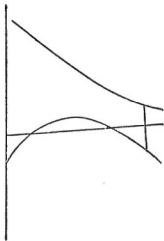
Or take, again, the difficulty they have in giving any coherent account of even quite recent events. A little skill in leading questions will elicit almost any statement you please, and this from no wilful untruthfulness, but from mere confusion of mind. Interesting evidence might also be gained by a student who had time and patience to investigate their vocabulary; it is limited in the extreme, and their power of expression except by means of gesticulation is proportionately small.

It would be hard to attribute this intellectual failing entirely to absence of anything to express; sometimes, I am convinced, there must be actual suffering from the

inability to give articulate utterance to the mental chaos within. Nevertheless, we are forced to recognise that, on the whole, these people are as undeveloped—or as degraded—on the side of their affections as of their intellect. The most striking proof of this is the looseness of the family tie, and the absence of all feeling of mutual responsibility between parents and children and brothers and sisters. The children drift away as soon as they become self-supporting, sometimes before, and are often completely lost sight of at an age when they most need the affection and care of their parents. It is very unusual to come across a family of this type where several members are not missing, and very common to find an old couple with a large family scattered about in London, but without communication with any of them.

The economic side of this character may perhaps be best illustrated by reference to the curve in which Professor Jevons expresses the basis of his theory of labour; and which I have copied in the diagram. The horizontal line is the neutral line between pleasure and pain; the upper line represents the increase of pleasure derived from an increase of the reward to labour, the lower curve the increase of pain derived from an increase of labour. Now for the theory which it supports, this curve is of interest mainly when approaching the point where pleasure gained is equal to pain endured; the point, therefore, when the labourer begins to question the advisability of continuing. As descriptive of a process it seems to illustrate the mind not so much of the ordinary industrial of to-day, working under ordinary conditions, as of the member of the Residuum. You notice that it assumes a very rapid fall in the final utility of the reward to labour; but in our modern organisation the use of money and the habit of looking to the needs of the future combine to make the final utility of the reward as nearly constant as possible among the working classes. If a man is accumulating money, the final utility will, of course, diminish, and he may in time reach the critical point where his pleasures

and pains balance, and retire from business. But the ordinary wage-earner when he receives his pay on Saturday nights is as far off the critical point as when he goes to work on Monday morning. If the idea of leaving his work does cross his mind, it is banished by the thought of not getting it again when he wants it; the mere possibility of a rise in the final utility of the reward is enough to prevent its falling, and for him the upper curve would be far more true if it were almost a straight line.



But for the member of the Residuum who has no fears for the future the curve represents a constantly recurring process. With his debts cleared off, and a week's wages in hand, the final utility of the reward is so small that he has absolutely no inducement to work; the smallest temptation will keep him away, the smallest inconvenience cause him to throw up the job; and it is not until he is destitute and his credit exhausted, that he finds himself beginning his curve again, to repeat the process as often as he gets the chance. It is, of course, only a question of degree. I suppose it occurs once or twice in every man's life to question whether it is all worth while; but an event which is to the normal man a crisis has become with the Residuum a habit, making little or no impression, and leaving no lesson.

In itself, and apart from any special incapacity, this disposition is not altogether an unfavourable one, even from an economic point of view; and the man to whom the future is merely the infinite possibility of something turning up, is so far in a better position for making his bargain in the labour market than the man who is burdened with all the cares of a lifetime. It is the indifferent seller who gets the best price for his wares; and this may partly account for the high wages which clever good-for-nothings sometimes command when they choose to work. But this point is insignificant in view of the

facts: *first*, that the disposition is in the highest degree unfavourable to the acquirement of skill, and that though sometimes combined with natural genius it is more often allied to incapacity; and *second*, that though the good-for-nothing is indifferent, when the question is of continuing a bargain, he rarely approaches one until he finds the necessaries of life running alarmingly short,—until, that is, the claims of the future have become the needs of the present.

From the point of view of happiness there is perhaps more to be said for the disposition. It is difficult to avoid the thought that the facts represented by the curve have possibilities of pleasure about them, which are wanting where the reward of labour has always a fixed and moderate utility; it means an alternation between leisure, excitement, and intense gratification, which might conceivably yield a larger total of happiness than the somewhat low and monotonous level of satisfaction which the regular wage earner gets out of his reward. It must be borne in mind also, that in estimating the happiness of the Residuum we must leave almost entirely out of account all pleasures or pains of anticipation; and if, as I believe, the worst of pain lies in its anticipation, while the best of pleasure is in its realisation, the balance in favour of the disposition in question may tend to become a large one.

Taking this type of character as one of our data, we may now ask about its effect upon the economic position of its possessor. It will be found to result invariably in his permanent failure to maintain himself (and those legally dependent upon him) in that standard of comfort which is considered necessary, and insisted upon by the community. It is, indeed, inevitable that this should be so; want of the economic virtues involves economic failure, and no artificial social arrangements can alter the fact that the man in any rank of life who is not self-supporting is an economic failure. We cannot, however, without some limitations convert the proposition, and say that all who fail to be self-supporting are members of the Residuum.

I have already alluded to those who fall from the ranks of independence through merely temporary misfortune; they owe their failure to the accident of circumstance alone, and not to any inherent defects. It is unfortunately true that long-continued misfortune is only too likely to develop these defects, but until this has taken place there is always hope. There is another class which I should like to exclude, even though their failure to be self-supporting may be more or less permanent. I refer to the large class of women workers, whose earnings have to be supplemented to enable them to live in the standard to which they naturally belong. Their position presents a genuine economic problem, though not quite the one before us now. Looked at from the point of view of exchange, women's labour seems at present to be in the position of what is known as a "by-product"; it shares a joint cost of production with men's labour, but is so much less in requisition that the latter stands in the position of the main product, and receives by far the greater proportion of remuneration. Some of the histories of joint production have been very interesting; for instance that of soda and hydrochloric acid, where the latter, originally a waste product, has, through the new uses discovered for it, taken the lead, and reduced soda to the position of a by-product. It is conceivable that as the most fitting uses are found for women's labour it may advance more nearly to the dignity of being the main product, and thus be able to claim a more equal share of remuneration.

But no such hope can be entertained with regard to the true Residuum; their labour is distinguished by its inferiority alone, and mere inferiority will never find a market; it differs not in kind, but in degree of utility only, and it is inconceivable that a use should be found for it which would not be better supplied by the class from which it has fallen.

Bearing in mind these exceptions—women workers and the subjects of temporary misfortune—the Residuum seems to fall more or less obviously into two divisions, according to the nature of the services rendered. The one



consists of those who follow what, for want of a better name, I will call factitious or superfluous employments; the other of men who possess a limited amount of skill, and supplement regular wage earners in the main industries.

The first class is probably the larger in number (at any rate in poorer London), and the most hopelessly excluded from the true industrial ranks. It is a curious product of modern times, and I doubt whether it has its counterpart in history. It is usually assumed that in proportion as labour lacks skill, it falls back upon brute force, mere strength of muscle; but here we have a race living, and to some extent thriving, who have no specialised skill, no "trade in their hands," as they will say, and who yet have only the minimum of physical strength. A sort of superficial sharpness you may find in some of them, especially those who get their living in the streets; but it is very shallow, and rarely amounts to more than a ready adaptability of manner and a shrewd facility in saying what is expected. If placed in circumstances which are new to them, or which call for any promptness of action or readiness of resource, their incapacity is immediately apparent. Their mission in life is to pick up the odds and ends of work which are let fall through carelessness or indolence by other people, and their one economic virtue is that of being "on the spot." A typical instance of this virtue is found in the protégé of dustmen, who is technically known as the "follower-up." Say that the dustman has to empty six dust-bins on a round, and that his cart will only hold the contents of five and a half; here is the opportunity for the follower-up, who saves him the trouble of returning, and gets so much a barrow-load for his pains.

To the immense multiplication of subsidiary employments which is due to the existence of a Residuum, I need only allude; any one familiar with working London knows them only too well. I do not, of course, refer to the genuine industrial development of subsidiary employment arising from the organisation of labour, but to a multiplication of minor services of very doubtful benefit to the community. Compare the legitimate and natural function

of the milkman, arising from the perishable nature of his commodity, with that of the oil-man, the coal-man, the wood-man, the coke-man, the coster of every description who haunts the streets of working London, and saves his customers the trouble of going to the shop at the corner. It may of course be argued that this is a legitimate and even desirable service, but those who recognise as the type of this class, not the milkman, but the tally-man—that evil genius of the poor—will share my doubts. The whole method of retail industry differs from that pursued in higher classes of the community; there the purchaser sends her orders to the tradesman, here the tradesman takes his goods to the purchaser. It is a difference of the imaginative faculty which well illustrates the disposition of the Residuum; for the educated person anticipating her needs, the sight of the store's list is sufficient to provoke a purchase, but for the uneducated person the sight and touch of the commodities themselves is found to be necessary, and these prove so stimulating that debts are frequently incurred for comparatively useless articles.

Other representatives of the class are the girl who cleans steps, the old woman who minds babies, the knocker-up who will waken you at any hour for 2d. a week, the self-appointed commissioner who stations himself outside public-houses ready for odd jobs, and so on, with a variety which is to be equalled only by the various forms of indolence which creates the demand for those minor service people. For the most part they are entirely dependent for occupation upon the wage-earners themselves, and it is evident that this limitation of their usefulness renders their mode of life in the highest degree precarious. They are exposed to every breath of "bad times" which excites the smallest desire for economising in their patrons. Many of them are of no real use,—they are even of negative value, for the costermonger who knows his business is as well able to enforce a purchase as the organ-grinder who gets paid to go away. Hence the demand for their services is an unnatural one, and would not make itself felt for a day if it were not artificially fostered. I think it

is Roscher who has urged the necessity of taking into consideration the *intensity* of a demand as well as its extent ; if I may apply the term in a somewhat different sense, the demand for these services may be described as having the least degree of intensity which is compatible with its being effective. That it is effective at all is due to the peculiar conditions of supply, which we shall have to note presently. It might be thought that in some degree this lack of intensity might be compensated by extent. I believe that in many of the industries which supply the working classes the comparative stability of demand in face of bad times is to be accounted for by their large numbers, cheap goods for the many forming a safer basis for trading than expensive goods for the few. But members of this class never serve a large connection. Some dozen streets will comprise the ordinary coster's round, the charwoman has her half-dozen patrons, the coal and oil-men have their regular customers, and when these fail them they rarely succeed in establishing a new groove.

As a natural link between this class and the next, I should like to refer, in passing, to the charwoman. In the East End she is called in, like other casual labour, when the mistress of a household is unable or disinclined for any reason to do her own work, and the irregularity of an occupation dependent upon such causes quite defies calculation. She probably had her origin in the West, and is a typical instance of the development and results of partial employment. Under any satisfactory arrangement a household will find within its own internal economy sufficient labour power to carry on its necessary and normal work ; but the modern system of intermittent cleaning, by which the dirt is allowed to accumulate until the family goes out of town, makes it possible to work with a smaller regular staff, supplementing it from the Residuum upon occasion. Here the charwoman belongs to the class which supplements the labour of regular wage earners ; she is intermittently absorbed into their ranks, and rejected again.

The main body of this class consists almost entirely of inferior workmen, or of men who suffer from an exaggerated

abhorrence of that regular work which is to all of us more or less of a burden. Here we find a certain amount of skill, but it is either insufficiently developed, or else combined with mental or physical defects which neutralise its utility. It is worth while to distinguish between the men who do inferior work and the men who do their work in an inferior manner. Inferior work is generally, if not always, badly paid for, but it is not necessarily subject to any great irregularity; as we have already noticed, the market for cheap goods has elements of stability about it which are wanting in the smaller markets for highly finished commodities.

It is the work of the inferior man which is subject to the worst forms of irregularity, and which serves as a barometer to indicate depressions and elevations in the industrial atmosphere. These are the men who are always falling into work and out again; they are the first to be turned off as work slackens, and the last to be taken on as it improves. It is only when employers are straining to make the most of a favourable turn that they will employ labour which is dear at any price; and frequently the men will anticipate their sentence, and drop away before the actual dismissal is pronounced; they have worked their spell, and are now ready for their interval of leisure.

According to the ordinary laws of competition we should expect to find this class of labour employed at a lower price than the more highly skilled and reliable; and that this is far from being generally the case is a fact which requires explanation. There are several causes at work, the action of Trade Unions to a slight extent, but mainly a combination of public sentiment and private sophistry, which tend to make employers reluctant to offer a lower than a prevailing wage. It is very noticeable in talking to employers, especially among the minor industries, how they nearly always assume a defensive attitude against any suspicion that they are paying less than an equitable wage. They will urge upon your attention that any apparent deficiency is accounted for by short hours or light work, or compensated by some privilege; facts gene-

rally true enough, and deriving their main interest from the proof they afford that an equitable standard is recognised, and that departure from it is not thought to be sufficiently justified by ability to obtain substitutes at the same or a lower rate.

Thus it comes about that inferior workmen will frequently be employed at a rate equal to that of the more skilled in the trade, but the apparent anomaly rights itself in other ways. In piece work, of course, the want of skill tells directly upon the amount of earnings by the smaller quantity of work turned out; but even where the work is by time, the economic laws avenge themselves by the system of partial employment which is creeping into industry. At first sight this would seem to be only an extension of season employment compensated by high wages, such as inevitably occurs in the building trades. But the partial employment of the Residuum exists side by side with regular employment in the same trade, and is a question not of necessity but of convenience. The system is widespread, and may now be found in almost any department of industry. To take an example, it is now quite a common thing for even respectable firms of solicitors, stockbrokers, auctioneers, and so on, to employ a permanent staff insufficient to their needs, relying with perfect confidence on supplementing it from the Residuum when there is a press of work. That is to say, sooner than pay a clerk a comparatively low retaining fee, for the sake of having his services when needed, they will take him on for two or three weeks at a time, giving 30s. to £2 a week, and turn him off again as work slackens, with absolute indifference as to what becomes of him in the interval. All the main manufacturing industries, such as bootmaking and tailoring, and smaller ones, such as fur workers, feather workers, and trimming makers, have the same fringe of inferior men, only partially employed. (The dockers of course are a case in point, but with them the issue has been so confused that I do not venture to bring them into the question.) That this development is greatly to be deprecated in the true interests of labour will, I

suppose, hardly be questioned. If we must chose between two evils, a low regular wage is infinitely more salutary for the average Englishman than high earnings alternating with periods of idleness ; and while the original degradation of a labourer to the ranks of the partially employed is generally due to his dislike of persistent work or want of skill, yet it is evident that the system itself tends to intensify the causes which give rise to it,

In my general dislike of partial employment and its results, I feel myself on fairly safe ground. In certain conclusions to which it has led me I am more doubtful, and will therefore put them in the form of questions, to which I hope to get some answers. The first is : So long as employers have open to them the alternative of partial employment, is it not contrary to the true interests of labour (at least of the Residuum) to bring any pressure to bear, whether by means of trade unions, or through public opinion, towards enforcing a minimum rate of wages ?

The second question is : Whether any merely local employment agencies, which, without doing anything to break up the immobility of labour, enable employers to find an immediate supply at any moment, do not greatly encourage the system of partial employment, and so directly militate against stability in the relation between employers and employed ?

Of course it may be urged that whenever an employer finds a workman through such agencies, a workman finds employment, and so the benefit is mutual. In individual cases that may be so to some extent, but we have to look at the tendency of the system as a whole, and that tendency does seem to be towards irregularity and uncertainty. Moreover, for the Residuum the effect is not altogether good, even in the particular case. A member of this class who feels that there is an institution prepared to reinstate him as soon as he drops out will take little trouble to keep to his work, and will become fixed in the unsettled habits which are his ruin.

When we turn to the question how the supply of this

reserve labour power is produced and maintained, we are met by the difficulty that we have to deal with causes that are not strictly speaking economic. There could be no greater mistake than to suppose that the Residuum is self-supporting in the sense that the standard of comfort in which it lives is determined by its actual earnings, and for this reason it cannot be handled in the same way as other classes of the industrial community.

Professor Sidgwick, in discussing the question whether there can be said to be a normal rate of wages corresponding to the cost of production of labour in any class, considers the doctrine to be most applicable in the case of the worst paid labour of which the supply has to be mainly self-maintained. Here a diminution in wage is thought to act as a check to numbers, and a rise to be followed by an increase. But he points out, also, that the worst paid labour of all is that of classes in towns kept up to a considerable extent by the degradation of members of other classes, and therefore unhappily exempted from the economic necessity of keeping up their own numbers. That is to say, in this class the ordinary economic forces which tend to bring about an equilibrium between the wages of labour and the cost of its maintenance, which in the long run is its cost of production, are counteracted by the invasion from other sources. Thus it comes about that to look for any relation between the cost of production of the Residuum and its economic value is—to borrow an illustration—like looking for the relation between the cost of production of cracked bells and *their* value. Members of the Residuum are all cracked bells; in nine cases out of ten they have cost as much to produce as the self-supporting wage-earner, frequently more. A child of this class will not cost a farthing less to bring up—at any rate, to the age of twelve or fourteen—than the child of the skilled artisan, for what it lacks in proper food and clothing it makes up for in medical attendance and physic, which the Residuum consumes in really startling quantities. Moreover, the degradation into this class is frequently from a standard so high above it as to be practically incommensurable.

What comparison can be made between the education of the professional man and the miserable services he can render when he has fallen into the Residuum? Whether we regard the class as reproducing itself, or as largely supplemented from without, it is in either case guilty of an economic blunder; it fails utterly and entirely to regulate its numbers with any reference to its wage-earning powers.

I am inclined to doubt whether this failure is mainly caused by the invasion of its ranks by degraded members of other classes. This upward and downward movement is always going on, and throughout all grades of the industrial organisation; no class is so self-contained as to form, strictly speaking, a non-competing group. Perhaps the only real difference is that while other classes give and take, the Residuum only takes. Its members cannot fall lower, and it is seldom indeed that they rise higher. Although the industrial organism is very merciful in the way in which it allows a man chance after chance of proving whether there is any stuff in him, it very rarely succeeds in reabsorbing one of this class; the defects of character are practically ineradicable, at any rate under the present system.

But for the great reason why this class fails in economic elasticity, why it fails to give way before the pressure of circumstances, and why therefore the supply continues to be maintained, we must, I believe, look elsewhere. It is to be found in the fact that it is not self-supporting, that its standard of living is in no way determined by itself, but by the sense of the community to which it belongs, and which for many reasons cannot suffer it to fall below a certain level. And if we need evidence that in England this level is far above that to which the Residuum is capable of falling without danger of actual extermination, we need only question immigrants as to their willingness to return to their native lands.

One reason why they are not self-supporting is to be found in the nature of their employment. It is not so much that their earnings are insufficient to live upon, but



that it takes a very high order of intellect to be self-supporting on an intermittent income, and the Residuum is of all classes the least qualified to achieve independence under such conditions.

On the other hand, it is the fact that they are not self-supporting, but are largely subsidised from without, which alone makes it possible for the present system of employment to continue. This, of course, involves us in a vicious circle; but it is characteristic of social problems to be vicious circles, and all that can be done—at any rate on paper—is to point out the links in the chain, and hope that the practical man will some day come along and break through at the weakest place.

One important link we may find in the various sources from which the earnings of this class are subsidised. Of the Poor Law relief and public and private charities (a little within £5,000,000 in London) I need say little here; every one knows more or less accurately that very large sums are distributed among the poorer classes by an expensive machinery, and by far the greater part of this goes to members of the Residuum. Some of them, indeed, the criminal classes, dispense with the machinery, and effect the redistribution for themselves; so far they are less of a burden on the community, but for the most part they are exactly on a level with their weaker brethren; they work occasionally, when they can, and when it is convenient; at other times they help themselves, and live without work.

But large as this recognised subsidy of public and private charity is, I believe it to be unimportant in comparison with the tax levied by the Residuum upon its neighbours. It is very difficult to give any adequate idea of this; it is paid mostly in kind, and comes practically to free board and lodging through a considerable part of the year. So far as concerns free lodging, I can give some actual evidence. I have here a list of twenty-nine families, with a record of their movements during the past three years. During that time two of the families had lived in three houses, eighteen in four houses, seven in five houses,

and two in six houses. Of course there is only one reason for these constant removals; that is, arrears of rent. The amount owing in each instance at the last address varies from 15s. to £4; further back than that it was impossible to get exact information, but it would very rarely be under 20s., and very often over. As an extreme, but by no means an isolated instance, I may cite one which has come under my notice within the last few weeks. Early in 1892 the family took rooms in Holborn, stayed there ten weeks, then left owing £6 for rent; they then took a place in Clerkenwell, stayed there four months, and then moved on into Hoxton, leaving a debt of £7:4s. to the landlord; they have been seven weeks at their present address, and already owe over £2, which will certainly never be paid.

It is clear, therefore, that such a list of flittings as I have made represents in itself a large amount of free lodging, quite distinct from the recognised charitable shelters; and I could have increased the list almost indefinitely had it been worth while. The sufferers from this tax are people little better off than the Residuum itself, and the root of the evil lies in the London system of sub-letting large houses. When a working man with a young family takes a house at £30 a year, and heavy rates and taxes, it is ruin to him to let his extra rooms lie empty, and almost equal ruin to get, as he so often does, a member of the Residuum as tenant. Of course the risk is by this time a fully recognised one, and is covered by the heavy rents which paying tenants have to meet, and which sometimes enable a fortunate householder to live rent free.

The same system of sharing a house among several families is largely responsible for the tax that is levied in food. You will find if you try that it is a practical impossibility to drink your tea if there is some one in the next room who has none to drink. Next door makes all the difference. I have known women live for weeks on the friendly scraps let fall from the landlady's table, and a family of children can always make good an extensive claim. Some striking evidence might also be got from the

small general shops which abound in poorer London, if they would only keep books, but they never do. I have no doubt that most of my twenty-nine families have accounts at several shops, of which nothing will be paid until they have exhausted their credit in the neighbourhood, but the shopkeepers themselves are frequently uncertain how much is due to them.

Here is a short statement of the financial position of two representative families.

The first is a man and wife with eight children, the only wage-earner at the time in question being the eldest boy. The liabilities of the family amounted to about £6 borrowed in various amounts from a friend, a mother-in-law, a brother, and a brother-in-law, £3:15s. owing for rent, 30s. to the milkman, and an indefinite amount to the provision shop. The family needs for the current week were met by the boy's earnings, 7s., by pawning the father's boots and the son's best clothes, by a continued free supply of milk from the friendly milkman, and of provisions on credit at the rate of half a pound of butter and four half-quartern loaves per day from the general shop.

The second family consisted of man and wife and four children, whose position was simplified by the fact that the landlady kept a general shop. They owed £4 for rent and 23s. for food, and had pawned for £6. Their plan of living was to continue to board and lodge free, the landlady saying that she could not stop them now for fear of losing all they owed; and their only other source of income was an occasional ticket from a neighbouring church.

Now if we take into consideration all these sources, the Poor Law relief, voluntary charity, and the tax levied upon all with whom the Residuum come into immediate contact, we may hesitate to attempt any exact estimate, but we can hardly doubt that the subsidy made towards the support of this class is very large indeed. What are the consequences? The chief, and one which might be most naturally expected, is its almost complete immobility within very narrow limits. No prospect of improvement, not even

a promise of regular work, will induce these people to leave a neighbourhood which they have tried, and not found wanting. They have no confidence in themselves, but they have a confidence fully justified in the social arrangements in which they have been developed, and which for them constitutes what they call Providence. Within certain limits, indeed, their life is a constant fitting, but they merely circulate from street to street within a very narrow area, and the causes of their moving have nothing whatever to do with the labour market. No Act of Settlement ever succeeded in establishing an immobility so rigid as this, for Acts of Settlement have at least the merit of kindling a rebellious desire to move.

It may perhaps be said that three years is not very long to test a man's immobility by, but I think it is sufficient for my purpose if we bear in mind that during those three years he has been subjected to a constantly recurring pressure as great as any that ever is likely to be brought to bear upon him; that each removal represents a small crisis, and is the alternative to—if not the actual result of—a forcible ejection.

Given this immobility of a class of labour of which the earnings are largely subsidised, we have all the conditions which favour the capricious demand for its services which I have noticed. Employers have no need to make sure that their resources are equal to the demand that may be made upon them, for here is an inexhaustible reservoir maintained outside their doors, upon which they can draw at any moment. And that large section of the Residuum, which without skill or strength serve the caprice rather than the needs of their customers, have no need to strengthen their hold upon industry and make themselves indispensable, for they also know that they have inexhaustible resources upon which to fall back.

I cannot leave the subject without alluding to the question of the influence of this class upon those just above it. So far as concerns the labour market I believe that its power for harm has been exaggerated, and that in the long run it competes with the genuine self-supporting

wage-earners very little, that all questions of wages and hours and employment settle themselves without reference to it. A steady-going efficient workman is never displaced to make room for one of this class, employers know their own interest too well; and it is not until the better supply is exhausted that they have recourse to the Residuum. Like poor land it is only called into use when an increased demand makes it profitable to employ expensive labour, and like poor land it drops out of use again as soon as the demand subsides. And if I may follow the analogy a little further, its utilisation is more likely to accompany an increase than a diminution of the return to the more efficient workers.

With regard, again, to the minor service section of the Residuum, we must note that so far as its services are of any value at all, it is the wage-earners themselves who reap the advantage. It is their substitute for the domestic servant, and without venturing any opinion as to the desirability of such a substitute we may at least point out that it is harmless in that it does not compete with regulars; it serves a class which must choose between it or nothing, which must either do its own work or employ help fitfully as means will allow.

But though, as I think, the Residuum does not injure the position of the wage-earner by competition in the labour market, it is a drag upon it in a more direct way. I have pointed out to how large an extent it is dependent upon credit and charity, and by far the greater part of this credit and charity is derived from the wage class, either directly or by way of high rents and heavy rates. The cost of living is increased to an extent which is probably far from being compensated for by the services actually rendered.

Suppose it possible that by removing the obstacles to the mobility of this class the reservoir of labour could be spread abroad over the country, and gradually reabsorbed into the industrial organism. How would the change make itself felt? In the regular industries there would be less elasticity, less encouragement to season work, more

need of organisation. The fur trade, for instance, instead of dismissing all but the best hands in the winter, and taking on large numbers of inferior workers for a short summer season, would have to increase its regular staff, and in order to keep them employed to equalise its rate of production throughout the year. A similar policy would have to be observed throughout all industry, and it is not impossible that with greater regularity in production there would be fewer commercial crises.

The alternative to dispersion now urged upon us is organisation, but I believe it will prove that the most which organisation can do for the Residuum is to define the hopelessness of its position more sharply. We have had a striking illustration of this in the recent movements of dock labour.

After all is said and done, organisation is only one amongst many means of self-help; it is impossible to organise dead matter from the outside, and the true Residuum is economically dead. It may be possible to galvanise it into a temporary appearance of life, to raise up a social monster that will be the terror of the community; but the best that can really be hoped for it is that it should gradually wear itself away, or in the coming generation be reabsorbed into the industrial life on which it is at present a mere parasite. And the tendency to this issue must probably be delayed by any scheme, however well devised, which seeks to deal with it in the mass and as a permanent institution, or in any way fosters its reluctance to yield to the pressure of circumstance.