THE UNEMPLOYED

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London

MACMILLAN AND CO.

AND NEW YORK

1894

PREFACE

The present volume.

As far as I am aware no attempt has yet been made in any country to deal comprehensively with the question of the unemployed. It is, perhaps, the most urgent, certainly the most difficult of our social problems. No apology, therefore, is needed for the present book.

The Board of Trade Blue-Book.

It is, however, possible that some explanation may be thought necessary for the manner in which the editors of the Labour Department Blue-Book on the unemployed have performed their duties. I have taken a good deal of trouble, as the following pages will show, in studying the really valuable material which is contained in that publication,[1] and have arrived at certain conclusions with regard to the editing of it, which, if unfounded, can easily be disproved, but which seem, at any rate, to suggest the necessity of some inquiry. Whatever the value of the criticism, I attach my name to it.

The plan or want of plan, the confusion of thought, the style, the faults of omission and commission, have led me with some experience in such matters to the opinion that the Department, having determined to issue a Report on the subject of the unemployed, proceeded to give out certain pieces of work to various experts without any specific directions as to method,

[1] This is summarised and rearranged in Part II. of this volume.

quality, or quantity. When these pieces were completed they must have been handed over to various persons, at any rate not equally expert, to be altered and possibly cut down. The whole appears to have been then hastily put together by another hand still less expert, who wrote the preface, from which I extract two gems :—

"The aim, therefore, which the present inquiry has in view, has been to analyse and break up into their elements the congeries of industrial and social problems which are lumped together in common language as the 'problem of the unemployed,' to survey broadly the ground covered by existing agencies professing to deal with various aspects of the problem, *to state clearly the principles underlying their efforts* and the objects at which they aim, to assign, so far as may be, the precise functions which each may perform and the relation in which its work stands to other efforts, and, finally, to deduce from this analysis any general conclusions which may be drawn from previous experiments as to the lines along which future efforts may proceed with the least chance of failure."

Ribald readers of the above are tempted to remember the lines of La Fontaine—

> Que produira l'auteur de tous ces grands cris ?
> La montagne en travail enfante une souris.

The mouse is disclosed a few pages later in the following apothegm, evidently a fetish of the official compiler: "The total number of the superfluous is the measure of the unemployed." The sentence, certainly, has a good mouth-filling sound, and the public has doubtless rejoiced over it as the old countrywoman rejoiced over that blessed word Mesopotamia,

but, as a careful examination will show, no meaning whatever can be attached to it in its present context.

This being the case, one is not astonished at the confusion of thought which prevails throughout the opening and concluding chapters of the Report. I have dealt with these in a special Appendix.

One may note, in passing, the list of books on the subject of Labour Colonies in the Appendix to the Report, which appears to be transcribed from a library catalogue. It makes no claim to be exhaustive, no clue is given as to the relative value of the books enumerated, and it is entitled, doubtless in irony, a bibliography.

But there is, as I have said, excellent specialist work which even such editors could not rob of its value. It only remained to render this difficult of access to the practical inquirer by an index which might have been compiled under the direction of an inefficient second division clerk. To go no further, I give verbatim the entries under the letter A, and have only to add, for the benefit of the skilled index-maker, that the heading "Agencies" refers to a whole chapter :—

> Aberdeen Relief Works, 221.
> Agencies dealing with unemployed, general classification, 12.
> Agricultural Colony at La Chalmelle, 329.
> Army and Navy Pensioners' Employment Society, 138.
> Austrian Relief Stations, 333.

A careful examination of some numbers of the *Labour Gazette* has led me to the conclusion that what I may call similar practical jokes, particularly in the case of the information supplied from abroad, have been systematically played on the

unsuspecting British public by the Board of Trade. The method of the new Department appears in fact to be, if one may parody the gem of wisdom given above: The supervision of the competent by the incompetent.

Once a doubt suggests itself as to the management of the valuable material supplied to the *Labour Gazette*, the question arises, What is the system on which the *Gazette* has been edited? what is the expense connected with the paper? It ought, with even decent management, to pay its way, but as it is one would be glad to know how much the country loses by it, and the items of that loss.

The Report with which we are concerned at the present moment is the chief product of some nine months' work of a large body of highly-paid officials. It will certainly, if examined with any care, afford unqualified amusement to those American and Foreign Departments which have been so ostentatiously told that they would now have to hide their diminished heads. But it does more, it suggests a further doubt. At the time at which I write (16th June), the Reports of the Chief Labour Correspondent on Trade Unions and Strikes and Lock-outs for 1892 have not even yet appeared. One of the chief objects of the new departure was to provide that extremely able officer with an adequate staff. How many additional clerks has he received if his Reports are later than ever, and when did he receive them? It would be interesting to know on what his staff was engaged in the period which we may fairly take as June to December 1893, when these Reports should presumably have been in preparation. It would be still more interesting to know what are the duties in respect of supervision exercised by the officers responsible for the Department.

There appear to be no less than five responsible officers, of whom no less than four seem to receive special salaries for work in connection with this large and well-paid Department, and of whom one at any rate appears to be peculiarly told off for such work.

These are the Secretary of the Board of Trade, with a salary of £1800; the Controller-General of the Statistical, Commercial, and Labour Department, salary £1200 and £300 from the vote for the Labour Department; the Deputy Controller-General of the Statistical, Commercial, and Labour Department, salary £800 and £100 from the vote for the Labour Department; the Director-General of Statistics, £700 and £100 from the special vote; the Commissioner of Labour, £630, wholly from the vote for the Labour Department.

Were it not a democratic age it would be perilous to ask what are the duties in connection with the Blue-Book under consideration of these exalted personages, and which of them is in fact responsible, let us say, for the matter I have dealt with in Appendix III.

Objects of the present volume.

But I have not been satisfied with mere destructive criticism. In Part I. of the present work I have given my own classifications of these agencies. In Part II. I have shown how, under one of those classifications, such materials as those in the Board of Trade Blue-Book can in future be arranged without causing mental indigestion to the student. I have added footnotes referring to current official publications which will, if consulted, I think convince the inquirer that the English contempt of the foreigner might, in the case of the editors of the Board of Trade Blue-Book, have been with advantage seasoned by some slight personal knowledge of foreign institutions and literature (cp.

sections 21 and 32). In Part III. I have given a brief account of the nature and causes of the present distress. Lastly, in Part IV. I have given the practical man, who is inclined to leave the theoretical and statistical side of the inquiry to professors and bureaucrats, some indication of the lines on which the problem can be practically solved.

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PART I

INTRODUCTION

INTRODUCTION

CLASSIFICATION OF AGENCIES DEALING WITH THE UNEMPLOYED

Introductory remarks.

1. HAVING been directed to draw up a Memorandum for the Labour Commission with regard to the unemployed, I was led to examine a Report compiled in 1893 by the Board of Trade on "Agencies and Methods of dealing with the Unemployed."[1] I found to my disappointment that although it contains much valuable information, the arrangement adopted renders it almost valueless for practical purposes. But quite apart from any question of arrangement, the Report deals exclusively with one aspect of the problem, *i.e.* it aims only at giving an account of past and present agencies for remedying the evils produced by want of employment, with

[1] [c. 7182.]

criticisms of their results. When, then, I was invited to attend the Mansion House Conference on the unemployed, I found it desirable to attempt to deal with the question as a whole from a practical point of view. I have, therefore, here essayed to set forth what has been done hitherto, what the present distress amounts to, and what can be done to remedy that distress, even though I have not at my disposal the materials which a great Government department can command.

Classification according to the duration of the agency.

2. The agencies dealt with in the Board of Trade Report are capable of classification on a variety of principles. According to that adopted in the Report itself, the main distinction drawn is between permanent and temporary agencies; while, apart from this division, two sections are devoted to the consideration of foreign and historical examples respectively. Permanent agencies, again, are divided into those which "deal" with the efficient unemployed, who at any time under ordinary circumstances are out of work, and those which "attempt to deal" with the unemployed, who are in that condition owing to trade fluctuations of a more or less exceptional character. It

may be observed, however, that this distinction apparently leaves out of account the inefficient workmen, who are likely to form the majority of those who are out of work under ordinary circumstances. The most important agencies dealt with in the Report under the first group are the Trade Unions and Labour Bureaux. The second group includes the Poor Law, the Charity Organisation Societies, and the various schemes for farm colonies, etc. in England. No explanation is given why these agencies should be regarded as dealing exclusively with those of the unemployed who owe their position to exceptional circumstances. Under the heading "Temporary Agencies," schemes for the provision of work for the unemployed by municipal authorities, etc. are described. Of foreign instances, the two leading classes are the Labour Bureaux and Labour Colonies of the Continent; while the "Historical Examples" include an account of parish employment under the old Poor Law, of the Paris National Works of 1848, and of the Lancashire Cotton Famine Relief Works. There are various reasons for not considering this classification satisfactory. The difficulty of ascertaining the principles involved

in the division of the permanent agencies precluded its adoption in the present work, while the distinction of "permanent" and "temporary," though convenient for the purposes of the Report, did not appear to be sufficiently closely connected with the causes of want of employment to be chosen as the main basis of classification.

Classification according to the class of persons to be assisted.

3. Another arrangement which might be made of the matter contained in the Report is dependent upon the class of persons to be assisted—a division which may be roughly said to distinguish those persons who are merely unemployed from those who are also practically unemployable. With regard to the greater number of agencies, however, it is doubtful under which head they would be classed. The Continental Labour Colonies, for example, though they aim primarily at assisting the merely unemployed, end usually in becoming refuges for the morally or physically unemployable. Moreover, prolonged want of employment tends to cause men to fall from the first to the second of these classes. Hence, though there is a real difference, it appears that the practical distinction between the classes is so

slight as to make it difficult to determine with which a given agency may most fitly be regarded as connected. This division, therefore, does not supply a satisfactory basis of classification.

Classification according to the principle of the agency.

4. Again, a division might be adopted based on the principles underlying the working of the various schemes. Socialistic schemes, for example, could be distinguished from non-socialistic, and these latter, again, might be divided according as their source of action is self-interest, or the various motives which may be roughly classed as philanthropic or charitable. In view of the prevailing tendency among the unemployed to look to the action of the State or Local Authorities for the remedy of the evils due to want of employment, such a distinction would be of great practical value. Under such a scheme could be set forth both the *a priori* qualifications of such bodies to deal with the problem, as compared with philanthropic agencies or the action of working men themselves, associated in some such organisation as a Trade Union or Friendly Society, and the amount of success which their experiments have hitherto achieved. The comparative value of

associative, charitable, and public action—in other words, of self-help, philanthropy, and authority—as remedies for the disease, would thus be brought out, and an advance would thereby be made towards its cure. Unfortunately a classification on these lines of the matter contained in the Report involves certain practical difficulties, which are not easily overcome. Cross divisions are found to be unavoidable. Labour Bureaux, for example, may be instituted and managed by Local Authorities, by private individuals for the benefit of the working classes, or by the working classes themselves. It appeared unnecessary to devote separate chapters in different parts of the work to such bureaux as are under the control of these three classes respectively, important as the distinction is. Accordingly, a more convenient working classification has been adopted in the earlier part of this work, while the distinction of principle is borne in mind in the conclusion.

Classification according to the objects aimed at.

5. The division I have actually followed is based on the objects aimed at by the different agencies. By this I mean not the ultimate ends, which may be broadly distinguished as

the remedy of results and the removal of causes of want of employment, but the more immediate objects of the finding or making of work for the unemployed. This division has been adopted as indicating a real difference of principle, and at the same time affording a convenient working basis. Agencies whose object is to *find vacancies* include Trade Unions and Friendly Societies, Labour Bureaux, and registries for special classes of persons, and newspapers. Those which aim at *making work* for the unemployed are divided for convenience' sake into permanent and temporary. In the first class are the Labour Colonies of the Continent, and such colonies and workshops as have been established in England. An account is also given of the system of parish employment under the old Poor Law. The second class comprises a description and criticism of the recent schemes for the provision of work by municipal and other authorities, and accounts of the Mansion House Conference relief works, the relief works in Ireland, those in Lancashire at the time of the cotton famine, and the Paris National Works of 1848. Finally, two agencies,—the Poor Law and the

Charity Organisation Societies,—which are not concerned primarily with the question of want of employment, but which, nevertheless, do incidentally important work in connection with it, are classed together under a separate heading.

PART II

WHAT HAS BEEN DONE HITHERTO TO SOLVE THE PROBLEM OF THE UNEMPLOYED

CHAPTER I

AGENCIES WHOSE OBJECT IS TO FIND WORK FOR THE UNEMPLOYED

1. *Trade Unions and Friendly Societies*[1]

Qualification of Trade Unions to deal with the unemployed.

6. AMONG those agencies dealing with the unemployed which confine themselves to seeking for vacancies, perhaps the most effective within the area they embrace are the Trade Unions. By no means all Unions undertake the task of finding work for their unemployed members, but, where they do, they possess in the highest degree two qualifications enabling them to perform it satisfactorily. In the first place, they have a thorough knowledge of their own trade and of the state of the labour market within it. In the second place, they have not

[1] See also *Fifth Report of the Royal Commission on Labour*, Part II., Summary of the Evidence received by the Commission sitting as a whole, § 565 (i). For the extent to which Trade Unions provide for their unemployed members, see Appendix II.

only a strong financial incentive to find an unemployed member work, but power to see that the member himself uses every effort to obtain employment, as the fear of expulsion or of public opinion within the society forms a very effective check on deception. Such a society is, therefore, able to relieve its unemployed by means which might be dangerous if used by organisations without the same knowledge and the same means of checking imposture.

Comparison of trades in this respect.

7. The task of finding work for unemployed members is carried out on the most highly developed system in the printing and engineering trades. Among the Unions in the building, textile, clothing, and some other trades it is only partially or locally undertaken, and in the mining, the boot and shoe making, and the waterside industries, the tendency is not so much to endeavour to find new work for unemployed members as to equalise work in slack times among all the members.

Unemployed benefit.

8. In those Unions which take upon themselves the task of finding work for their members one of the first steps usually taken is the payment of "unemployed benefit." This is given in order to support the workman during

his search for employment, and to prevent the moral and physical deterioration to which he is liable while out of work. It is thus an indirect measure directed towards the obtainment of work. This benefit is usually dependent upon certain conditions, such as length of membership and cause of want of employment. In most societies it is paid to members who are out of work through causes other than their own misconduct or choice. Thus, in the Amalgamated Society of Engineers, the member receiving the benefit must "be discharged or leave his employment under circumstances satisfactory to the branch to which he belongs"; and, in the Typographical Association, no claim is entertained "unless accompanied by a note from the father of the chapel where the applicant was last employed, certifying that his discharge resulted from no misconduct of his own." Further, the member applying for out-of-work benefit is usually required to sign his name at specified intervals in the "vacant book" kept at the meeting-place of the branch to which he belongs. In several cases, moreover (*e.g.* in the Associated Shipwrights' Society and the London Society of Compositors), the benefit is

discontinued if the member relaxes his efforts to obtain work or declines it, when offered, without a valid reason. The amount granted and the length of the period during which unemployed benefit is allowed vary very considerably in different Unions. As a rule the payment is graduated on a descending scale. The Amalgamated Society of Carpenters and Joiners, whose scale is about an average one, pays 10s. a week for the first twelve weeks, and 6s. a week for an additional twelve weeks. In the London Coach Makers' Trade Union, however, the initial payment is 18s. a week, while in some of the Unions connected with the textile trades it is as low as 3s. 6d. The number of successive weeks for which benefit is allowed is limited in every case, while some societies also restrict the number of weeks' payment in any year, whether consecutive or not. With regard to the members' weekly contributions some Unions (*e.g.* the Brass Workers and the Iron Founders) deduct them from their allowances, others (*e.g.* the Amalgamated Engineers) remit them while the member is out of work, others, again (*e.g.* the Typographical Association), exact only a part. Most Unions, and in particular

those connected with the engineering and cognate industries, recognise the principle that "the amount should not be fixed at a figure so high as to act as a temptation to members to prefer idleness on benefit to work and its obligations. Nor should the benefit be paid for an unlimited period of time, which might also cause members to relax their efforts to obtain work."

Travelling benefit.

9. Another measure adopted by Trade Unions with regard to their unemployed members is the payment of travelling benefit to those wishing to travel in search of work. This is mentioned by a large number of Unions, and in those connected with the building and boot-making industries it prevails more generally than unemployed benefit. Strict precautions are taken against imposture, and members drawing this benefit must be continually moving. It was found, however, in some instances, notably by the Ironfounders' Society, which started an emigration benefit in 1885, that it was liable to great abuse, as members employed the allowance to obtain a holiday trip; other Unions thought that it fostered a roving spirit, and tended to degrade the members. It has, therefore, been discontinued by some Unions, while

in others, though it has not been definitely abolished, it is fast becoming obsolete, owing to the increased facilities of postal and telegraphic communication and the better organisation of the society. It is stated with reference to the Pattern-Makers' Association, that "the more perfectly a trade is organised the less necessity there is for its members to travel in search of work," and a very large number of Unions report that "travelling is steadily decreasing."[1]

Periodical reports, etc.

10. Such measures aim at enabling the unemployed member to find work for himself; some Unions, however, provide by means of regulations a more direct means of discovering vacancies. In many instances periodical reports are issued by the branch secretaries giving a detailed account of the state of trade and of the labour market in their localities. These are sent to the general office of the society, and thus men can be passed on from congested districts to those where there is a demand for

[1] Mr. Ludlow, in his evidence before the Labour Commission, stated that "travelling benefit is falling into great disuse in the Trade Unions, . . . and is being replaced more and more by a practice of paying fares to jobs when they are found" (Ludlow, 1749). This payment is usually known as "shifting benefit," and emigration benefit may generally be considered a form of it. It is not, however, distinguished from "travelling benefit" in the Board of Trade Report.

labour. Connected with this is the obligation enforced by several societies that men knowing of a vacancy should at once report it to the branch secretary. In some societies, *e.g.* the Amalgamated Engineers, concealment is punished by a fine; the Amalgamated Society of Carpenters and Joiners, on the other hand, offers a bonus of 6d. to any member who takes another "off the books" by finding him a situation. The London Society of Compositors publishes for the assistance of unemployed members a "Compositors' Guide," containing the name and address of every society house within the metropolitan area, and other useful information. The overseer of this society also keeps a list of the names and addresses of unemployed members.

Equalisation of work.

11. The plan of equalising work among all the members of a trade is the chief system of relieving the unemployed adopted by miners, dock-labourers, and the Unions connected with the boot and shoe industry. It is also employed to some extent among the engineering and shipbuilding trades. The Amalgamated Engineers, for example, encourage movements for the reduction of hours, and have in some districts imposed severe restrictions on overtime,

with the object of spreading the work over the greatest possible number of men. The Associated Shipwrights have in each district local customs directed towards the same end, and in particular encourage short time in slack seasons. In these trades, however, such methods are merely subsidiary. In the mining industry, on the other hand, in such important districts as Lancashire, Nottinghamshire, Derbyshire, Staffordshire, Somerset, Dean Forest, Wales, Ayrshire, and Fifeshire, little or no provision is made against the evils arising from want of employment, and dulness of trade is met only by reducing the working days per week of each man. Among the unskilled labour of the docks prohibitive rates on overtime and the rotation of gangs have been relied upon to ensure that no man shall be entirely out of work. Such schemes for the equalisation of work have, however, been found inadequate among ordinary dock-labourers as a means of dealing with want of employment. They are practicable only in specialised branches of water-side labour, or those in which a trade society with a comparatively high entrance fee has for the time been able to control the supply of labour. So far as

the great mass of dock-labourers is concerned, it appears that "the evils of casual and insufficient employment have sprung from the tendency to divide up such work as is offered among an excessive number of labourers, rather than from any system of concentrating it in the hands of a few." The scheme of classifying the applicants into grades, and employing the higher before the lower, was devised and carried out not by Trade Unions, but by the Joint Committee of the Metropolitan Docks, and thus does not fall within the scope of this section.

Friendly Societies.

12. Friendly Societies do not, as a rule, concern themselves with finding work for their unemployed members. Their primary objects are to provide relief for a member incapacitated through sickness and to ensure a sum of money to be paid on his death. It is felt, moreover, that the task of finding work can be more adequately performed by Trade Societies whose members belong to one group of industries than by Friendly Societies, whose membership is more or less open to all trades alike. A few Friendly Societies do, however, assist unemployed members to the extent of remitting subscriptions, or sometimes of paying out-of-

work benefit. The Hearts of Oak Benefit Society established in January 1888 a provident fund, by means of which any member of one year's standing may have subscriptions to the amount of 10s. remitted on the discretion of a special committee. The Manchester Unity of Oddfellows has, besides a central relief fund, auxiliary funds in a large number of lodges. This society includes among its objects the provision of relief for members wishing to travel in search of work. The Ancient Order of Foresters has also a system of travelling benefit, and the Loyal Order of Ancient Shepherds allows out-of-work and travelling benefit, distress grants, and exemption from contributions. In the Independent Order of Rechabites the relief system is strictly localised, and this appears to be the rule in the majority of those societies which attempt to deal with the question of the unemployed.[1]

[1] It may be noted that no mention is made in the Board of Trade Report of the "Specially Authorised Societies" existing for the purpose of providing relief to members out of employment. Evidence on this point was, however, given before the Labour Commission by Mr. Brabrook, in the course of which he said that "the objects of these societies go a little further than that of providing relief to members travelling in search of employment, to which I referred when speaking of the affiliated orders, but not so far as a Trades Union. . . . They go a little further than the allowance of a trifling sum to a member on tramp. They seek to provide their members with substantial relief to themselves and families in the event of their falling out of work for any cause not their own fault" (Brabrook, 1314). Mr. Ludlow, giving evidence on the same subject, pointed out that these societies "for the most part belong rather to the professions so-called than the trades. . . . They are hardly industrial at present" (Ludlow, 1755-56).

2. *Labour Bureaux*

Labour Bureaux in England.

13. Labour Bureaux, *i.e.* local organisations for registering the supply of and demand for various kinds of labour, and facilitating its migration to localities where a demand is reported, have not at present been established in England to anything like the same extent as in France and other Continental countries. Temporary registries are fairly frequently started in winter by Local Authorities, and especially by the London Vestries; and in such cases are for the most part connected with schemes for the municipal provision of employment. Of permanent bureaux, however, only ten are mentioned in the Report. Four of these are in provincial towns, and the remainder in the metropolis. Some of them admit all applicants for registration; others make detailed inquiries with regard to each, and only register such as can be guaranteed for character and capacity.

14. The earliest Labour Bureau in this coun-

Egham Bureau.[1]

try was established at Egham in 1885, and is under voluntary management. The registrar only enters the names of those whom he considers *bonâ fide* workmen out of employment, and as he is to some extent acquainted with most persons in the district, he can exercise a selection and thus guarantee those whom he admits. A rule exists in this bureau that "the registrar shall scrupulously abstain from interference in any question of wages or condition of service or labour troubles." Hence no men are supplied to take the place of the men on strike. The success of the institution may be gauged by the fact, that during the period from 31st October 1891 to 31st December 1892, out of a total of 382 applicants situations were found for 289, or over 75 per cent. The bulk of those who obtained employment were, as is natural in a country district, gardeners, labourers, grooms, and members of the building trades.

Ipswich Bureau.[2]

15. The Ipswich Bureau was also opened in 1885. It is at present under voluntary management, but the manager is desirous that it should be taken over by the Municipality, and that

[1] See also *Fifth Report of the Royal Commission on Labour*, Part II., Summary of Evidence given before the Commission sitting as a whole, § 565 (iii.)

[2] *Ibid.*

similar institutions should be established in all large towns, and federated together to facilitate the circulation of labour. This bureau claims to be neutral in trade disputes, admits only men with good references, and "leaves severely alone" the old, incapable, and vicious.

Chelsea Bureau.[1]

16. Of metropolitan bureaux the most important and successful is that at Chelsea, which is managed by a committee of the Vestry. This bureau discriminates to a certain extent among the applicants for registration, and has no permanent connection with any system of relief works.

Wolverhampton Bureau.

17. Among unsuccessful bureaux the most striking instance is that of Wolverhampton. This was started in connection with a relief organisation on the principle of admitting all applicants to registration. Under this system it was found that employers would not use it. The first Report stated, that "it seems almost impossible that while there is any suggestion of relief employers can be made to believe that any men are to be found except the 'submerged tenth,' who are practically useless to them." This connection was therefore broken off and a

[1] See also *Fifth Report of the Royal Commission on Labour*, Part II., Summary of Evidence given before the Commission sitting as a whole, § 565 (vii.)

system of detailed inquiry was instituted. The result was, however, to arouse opposition among some trade unionists, who looked upon it as an attempt to re-introduce the "discharge-note system." The bureau is, therefore, practically, though not nominally, closed.

Other Bureaux.

18. The other bureaux established under the control of the London Vestries have met with varying success. Some have been closed, but others continue to carry on a fair business, which is in most cases conducted on the lines of the Chelsea Bureau. The Salford Registry, which was originally started as a temporary attempt to ascertain the number of the unemployed in the borough, has been prolonged, and may now be considered as a permanent bureau. The committee of this bureau "endeavour to assure themselves of the fitness both as to character and ability of those whom they recommend for any situation, and strictly confine their operations to accidents in the borough." At the "National Labour Exchange," under the direction of the Salvation Army, comparatively few applicants are placed in permanent situations, but temporary employment is found for a considerable number. Statistics show, however, that the registry acts mainly as (1) a feeder for the "elevator" workshops described below, and (2) a centre for the supply of casual labour.

Conditions of success of Labour Bureaux.

19. The Labour Bureau system in England is at present only in an experimental stage.[1]

[1] In order to show the extent to which Labour Bureaux are made use of by the unemployed, and how far they are successful in finding them work, the following table has been drawn up, summarising the returns given in the *Labour Gazette* during the months of December 1893 and January and February 1894:—

I. Number of Fresh Applications in each Month.

Bureau.	Dec. 1893.	Jan. 1894.	Feb. 1894.	Total.
1. Chelsea	203	485	388	1076
2. St. Pancras	161	213	203	577
3. Battersea	380	345	233	958
4. Salford	158	147	180	485
5. Ipswich	53	90	70	213
6. Egham	29	34	54	117
7. Plymouth		620	296	916
Total	984	1974	1424	4342

II. Number of Persons for whom work was found by the Bureau.

Bureau.	Dec. 1893.	Jan. 1894.	Feb. 1894.	Total.
1. Chelsea	79	136	88	303
2. St. Pancras	57	43	47	147
3. Battersea	118	77	58	253
4. Salford	13	72	87	172
5. Ipswich	48	34	32	114
6. Egham	23	25	19	67
7. Plymouth		110	95	205
Total	338	497	426	1261

[19] It would, therefore, be highly unfair to treat the degree of success it has as yet achieved as the measure of its possibilities. Nevertheless, certain conclusions as to the conditions necessary to the success of these institutions may be already drawn from the actual experience. One essential condition of success appears to be the selection of applicants. Though, in Wolverhampton, inquiry was objected to as savouring of the "character note" system, it may safely be asserted that where applicants are admitted indiscriminately the bureau can be of very little use from the workman's point of view. Registration is in these cases no guarantee either of character or capacity, while the fact that a man has had to

III. Number of Persons on Registers at end of each Month.

Bureau.	Dec. 1893.	Jan. 1894.	Feb. 1894.
1. Chelsea	147	247	180
2. St. Pancras	3468[1]	534	571
3. Battersea	116	188	119
4. Salford	342	312	374
5. Ipswich	53	97	135
6. Egham	42	32	67
7. Plymouth		399	276
Total	4168	1809	1722

[1] This high number is explained by the fact that no system of cancelling names for non-renewal of applications was in force at this bureau in 1893.

have recourse to the bureau is *prima facie* [19] evidence that he is not a satisfactory workman. On the other hand, those bureaux which test their applicants narrow their range of usefulness to the efficient unemployed, and deliberately exclude the class with whom, as a rule, relief works deal. They usually, however, find work for a larger percentage, and are more likely to be made use of by good workmen and employers. "An attempt to use the bureau as a means of disposing of the submerged tenth," writes the manager of the Ipswich Bureau, "is certain to be fatal to its success." These considerations seem to show that a bureau is less likely to be of permanent success in a town than in a country district, where personal acquaintance is possible. In the second place, the experience of Wolverhampton leads inevitably to the conclusion that it is not desirable to mix up the functions of a labour exchange with those of a relief agency; and, thirdly, it appears best for the usefulness and popularity of a bureau that it should not interfere in trade disputes. The character of the manager is also an important factor. Even when these conditions are realised the Labour

Bureau cannot, probably, be so efficient from the workman's point of view as a well-managed Trade Society, though among the less organised trades, and, in particular, with reference to unskilled labour, their sphere of usefulness is very considerable.

Labour Bureaux in France. Authorised Labour Agencies or Registries.

20. Of the institutions in France which act as Labour Bureaux the most important are the Authorised Labour Agencies, the Labour Exchanges established by the syndicates of workmen and employers, and the Free Municipal Labour Agencies. The Authorised Labour Agencies are conducted by private individuals under the regulations of a decree promulgated on 25th March 1852. This decree allows no person to carry on a registry without a special permit issued by the Municipal Authority, and only to be granted to persons of established repute. The conditions under which an applicant proposes to conduct his registry must be stated beforehand and conformed to throughout, and the Municipal Authority is to supervise the offices. The work done by these registries appears to be of very considerable extent, as during the year 1891, out of a total of 2,495,079 applicants, 459,459 were placed

in permanent, and 361,991 in temporary situations.

Labour Exchanges.

21. With regard to Labour Exchanges, the first proposal was made in 1848 by M. Doucoux, who presented a scheme of organisation to both the Chamber and the Municipal Council of Paris. It was not, however, taken up by either of these bodies, and the question remained in abeyance till 1875. A proposal of M. Delattre in that year led to the construction of a permanent shelter in the Boulevard de la Chapelle, where men waiting to be hired were accustomed to congregate. The Administration was further invited to present a scheme for the establishment of Labour Exchanges in all places where workmen of different trades assembled for the purpose of being hired. Nothing else was done at this time, however, and in 1883 M. Manier invited the Municipal Council to take steps in the matter, on the ground that a system of Labour Exchanges would suppress the Places de Grève and the Registry Offices, facilitate the supply of workers, and "establish direct relations between the Chambers of Syndicates or Corporate Associations, as well as between all workers in general, whether they belong to

Unions or not." The result was the formation of a central Labour Exchange at Paris, founded for the purpose of "furnishing labour with the means of maintaining a struggle against capital with equal and legal weapons." The free use of the meeting rooms was allowed, and statistics and other means of information and correspondence were provided in order to "enable workers to discuss more fully and accurately the numerous questions which interest their trade or affect their wages." Exchanges similar to that in Paris have been established in several provincial towns, and are still multiplying.[1]

Free Municipal Agencies or Registries.

22. The establishment of Free Municipal Labour Agencies was begun in some of the arrondissements of Paris in 1886 in conse-

[1] Voluntary and Municipal Labour Bureaux and provision for out-of-work insurance have also been established in Switzerland, Germany, and Austria. For details see my *Foreign Reports to the Labour Commission*, vol. vii. p. 40, vol. v. p. 90, vol. xi. pp. 129, 130. It appears from my French Report that the history of Labour Exchanges may be traced farther back than is done in the Board of Trade Report. My French Report also brings out the fact that registration for employment is only a small part of the work undertaken by the advanced exchanges. The Paris Labour Exchange, in addition to this task, attempts the conversion of workmen to socialistic views, the collection of statistics in support of these views, and the promotion of reforms and the checking of abuses in connection with the relations between capitalists and workmen (p. 31). Moreover, in the simple work of registration much is done by informal methods, and by employers' syndicates, journeymen's agencies, and mutual aid and charitable societies (pp. 90, 91) [c 7063-ix.] Cp. note on p. 44.

quence of the agitation against the private registry offices, and they have since been established in several other towns. The most important offices are those in Paris. An account of one of these (the 18th arrondissement) is given, which shows that the expenses are about 4000 francs annually, and that the number of applicants placed in 1891 was 629.

Labour Bureaux in New Zealand.[1]

23. The Labour Bureaux in New Zealand and the Australian Colonies were inaugurated in every instance by the Government. With regard to New Zealand, a Report published in 1892 states that in June 1891 the presence of unemployed labour in the chief towns of the Colony formed a pressing difficulty, to meet which the Bureau of Industries was established under the direction of the Minister of Education and Justice. The objects of the Government in this step are set forth as "the compilation of statistics concerning the condition of labour generally; the establishment of agencies for reporting the scarcity or overplus of workers in particular districts, and the transfer of such workers from overcrowded

[1] See my Report to the Labour Commission on the Colonies (*Foreign Reports*), vol. ii. p. 49 [c. 6795-xi.]

localities to places needing labour." For these purposes two hundred local agencies were established, from which monthly schedules are sent stating particulars as to the state of labour in the district. Unemployed persons may have their names entered upon schedules, and railway passes are allowed them if they wish to travel in search of work. "Every effort short of espionage" is, it is said, used to ascertain the *bonâ fides* of applicants. The total number assisted to employment from 1st June 1891 to 31st May 1892 was stated to be 2974, and the reports from branch bureaux show that, besides those actually provided with work, a large number are supplied with information as to the best districts and methods of obtaining it. Thus, the Wellington Report states that there have been "as many as twenty men in one day possessing a few pounds of their own, and desiring no other assistance but to be informed as to the best place to which to steer." The manager of the Auckland branch recommends many applicants to "take to the country," where there is a demand for labour.

Labour Bureaux in Australia.

24. The organisation of the Bureaux in Australia is not nearly so complete as in New

Zealand. One was opened in Melbourne, with branches in other towns in Victoria in June 1892; it was not successful, and the Government eventually decided that it was an encumbrance rather than an aid in dealing with the labour difficulty, and abolished it in May 1893. The Bureaux established in New South Wales in 1892, and in Queensland in 1886, were, however, successful. The former has found work for 8154 out of a total of 15,779 applicants, and the latter for 4230 out of 7033.[1]

3. *Agencies for Discharged Seamen, Soldiers, and Prisoners*

Agencies for discharged seamen.

25. Seamen are the only class of men for whom the Imperial Government provides what is practically a registry office in which facilities are afforded for employers and employed to meet together. This organisation is under the direction of the Board of Trade, and is immediately managed by an official known as the "Superintendent of Mercantile Marine" estab-

[1] With regard to the Bureaux in New South Wales my Report to the Labour Commission on the Colonies states that hardly one-third of the applicants were *bonâ fide* unemployed, that it was used as a shelter for chronic loafers, and that it was unpopular with the leaders of the labour party. The Report states, further, that the Queensland Bureau was not much appreciated by the unemployed (p. 49).

lished at each port. In some of these local offices a book is kept giving the names of unemployed seamen. The more usual practice is, however, for the master of a vessel to post up in the office a notice of the number and class of men he wants, and, when these are found, for the terms of the agreement to be read over and explained by the superintendent in the presence of both parties. The offices are largely frequented by both sailors and masters of vessels, as a good opportunity is afforded by them to both for obtaining what they seek.

Agencies for discharged soldiers.

26. No State agency exists for the purpose of finding employment for discharged soldiers. There are, however, three societies by which this work is successfully undertaken. The first of these, the National Association for the Employment of Reserve Soldiers, deals more particularly with reservists, but does not confine itself strictly to them. It has twenty-eight agencies in London and the principal industrial centres, besides forty-three regimental district associations. The men are registered at the time of discharge, and every care is taken to ascertain their character and qualifications.

The society then endeavours to find work by means of circulars, advertisements, and personal visits to large employers. The result in 1892 was that, out of a total of 6331 registered, employment was found for 2838. Large numbers of these were employed in the post-office, and in railway, iron, and other works, and as grooms, coachmen, porters, messengers, and labourers. The Army and Navy Pensioners' Employment Society was established in 1855, and reconstituted in 1859, with the object of "registering the names, addresses, characters, etc. of military and naval pensioners from Her Majesty's service, and procuring for them such employment as they may be capable of undertaking." It has a head office in London, and branches at Dublin, Glasgow, and Manchester. It is conducted on the same lines as the National Association, except that its primary object is the assistance of pensioners rather than reserve men. The Report for 1892 shows that during that year 2650 places had been obtained. The Corps of Commissionaires works upon a more elaborate system. Candidates other than pensioners are admitted, but only on payment of what is practically a guar-

antee for their honesty, the pension in ordinary cases serving the same purpose. Certain fees and deposits are also required, as great care is taken to exclude bad characters, and to employ those men only who have something at stake in the shape of either a pension or a deposit which may be forfeited for dishonesty. The result is to ensure a class of men in whom the public have confidence, and for whom work is easily obtainable. The number on the rolls is now 1925, and nearly all these men are employed as messengers, attendants, money-takers, and in other situations involving a certain measure of trust.

Agencies for discharged prisoners.

27. Discharged prisoners are assisted in the search for work by the Discharged Prisoners' Aid Societies in connection with the different gaols. These were to some extent federated together in 1877, when the "Central Committee of the Societies was formed to promote combined action among them." From that date, too, their work was considerably extended. In 1878 there were thirty-eight prisons which had no aid society connected with them; by 1887 there was no gaol without one. The methods of the societies vary to some extent,

but one universal feature is the employment of agents entrusted with the task of ascertaining the qualifications of each prisoner, and of finding him work for which he is suitable. During 1891 the total number of prisoners dealt with by the forty-seven societies making returns was 18,127. With regard to female prisoners, it is stated that owing to the immense number of rescue homes there is an overlapping of labour in rescue effort which is acting very perniciously on the work generally. The Salvation Army has a department called the Prison Gate Brigade, which provides shelter and work for discharged prisoners till they obtain permanent employment.

4. *Registries for Women and Girls*

Use of registries among women and girls.

28. In the case of women and girls the problem of finding employment usually takes a somewhat different form from that which it assumes in the case of men. Of the three classes of girls, those "in business," those working in mills, factories, and warehouses, and domestic servants, the last are the only class which use the registry system to any appre-

ciable extent. With them the demand for labour is so great that the difficulty is not so much to find work as to ensure that the work is of a suitable kind.

Girls "in business."

29. Among girls "in business"—*i.e.* employed as shop-assistants, dressmakers, milliners, etc.—the most usual methods of obtaining employment are advertisements, public notices, and private recommendations. A registry started by the Girls' Friendly Society was not successful, as those members who were competent dressmakers or shop-assistants found no difficulty in obtaining work, while those who resorted to the registry were weak and inefficient, and gave no encouragement to employers to apply to it again. An agency conducted by the Young Women's Christian Association in Regent Street is, however, stated to be successful, but no statistical records are given of its work.

Girls employed in mills, factories, etc.

30. Girls working in factories and warehouses do not use registry offices at all in seeking for work. The central head of this department of the Girls' Friendly Society states, that in only two cases out of nineteen centres from which she received information

on this point was any desire expressed for such a system. These two branches were both in East London, and in both the need expressed was for some means by which the girls could be warned against the worst houses.

Domestic servants.

31. Among domestic servants, on the other hand, the registry system prevails largely. Besides the numerous private registries two societies exist which undertake the task of finding suitable employment for young servants. One of these, the Metropolitan Association for Befriending Young Servants, arose out of an inquiry made by Mrs. Nassau Senior, in 1873, on behalf of the Local Government Board, into the effect on girls of the system of education at pauper schools. Her report dealt, among other things, with the question of choice of situations for workhouse girls, and showed that under the system then in vogue the first place that offered was accepted for a girl, often without any adequate inquiry. A scheme was, therefore, formed for "calling forth the resources of volunteer benevolence" on behalf of these girls. The charge of them when ready for service was to be transferred from the different Unions to

which they belonged to a central authority, and women properly qualified were to be officially employed in choosing situations and in visiting the girls. Others were to be asked to aid voluntarily in this supervision. The result of these suggestions was the formation in 1875 of the M.A.B.Y.S. The number of girls under the care of the Association in 1892 was 3392; and besides the work already described, free registry offices have been opened in various districts of London. These offices are used by adult women, but the special work of the Association is confined to girls under twenty. The work done by the M.A.B.Y.S. in London in connection with district schools is to some extent performed by the Girls' Friendly Society elsewhere. The statistics of the registry department, which deals almost exclusively with domestic servants, show that, during 1892, 3264 girls were placed in situations. Registries managed by private individuals are in use in all parts of the country, but in those which aim at finding situations for the lower grades of servants it is noticeable that the number of engagements made is small compared with the number of applicants. It appears, moreover,

that where moderate fees only are charged the business is so unremunerative that it is apt to fall into the hands of a low class of managers; and in such cases dangers may be incurred by girls applying to registry offices of which they know nothing.

5. *Newspapers*

Newspapers as a means of finding employment.

32. The use of newspapers as an employment agency has become so common in this country, that its work in bringing employers and employed together requires some comment. A table given in the Board of Trade Report, analysing the situations advertised as "vacant" or "wanted" in four London and eleven provincial daily papers on 21st June 1893, brings out several interesting facts with regard to this point. It appears, in the first place, that on the particular date named there were more situations for men advertised as "wanted" in London than the number advertised as "vacant." The converse was the case both for men and women in the provinces, and for female domestic servants in London. The demand for shop-assistants and clerks was much larger than the

supply; and one of the most noticeable features of the table was the large number of advertisements for women, as compared with the number inserted by women. The total number of advertisements in the day was 3401; 2122 being by employers seeking workpeople, and 1279 by workpeople wanting places.

NOTE.

With regard to this chapter in particular, I should like to make clear that in Part II. I have merely rearranged the information contained in the Board of Trade Report, with supplementary footnotes. I therefore here only point out that the editors of that Report do not appear to have heard of the famous Labour Registry at Stuttgart (cp. my *Foreign Reports to the Labour Commission*, vol. v.), nor of the other less notable registries in Germany, Austria, Holland, Switzerland, Belgium, and the United States (cp. vol. v. p. 90, vol. xi. pp. 129, 130, vol. iii. p. 31, vol. vii. p. 40, vol. iv. pp. 38, 39, vol. i. p. 41).

CHAPTER II

PERMANENT AGENCIES WHOSE OBJECT IS TO MAKE WORK

1. *Permanent Agencies in England*

Permanent agencies in England. The Salvation Army Social Scheme.

33. PERMANENT agencies for the provision of work for the unemployed either in labour colonies or in special workshops do not exist to any great extent in the United Kingdom, though schemes and proposals for their foundation are continually being formulated. The Salvation Army have with this object, however, established workshops in London and a farm colony in Essex. The workshops or "elevators" are at Whitechapel and Battersea, and are usually filled with unemployed men sent from the Labour Exchange (see p. 26). In September 1893 there were 268 men at work, who were chiefly engaged in unskilled labour.

A certain number have, it appears, the prospect of employment secured, and want only to tide over the intermediate period. A large number, however, owe their position to drink, crime, or other personal causes. No inquiry is made into the antecedents of applicants, the test of work and the discipline of the workshop being relied upon for the purpose of sifting out those who cannot be usefully assisted. The Farm Colony at Hadleigh, Essex, was established in 1891, when a freehold estate on the banks of the Thames was purchased. It is intended only for those who cannot obtain occupation elsewhere, and most of the colonists have passed through the "elevators." Other industries besides the cultivation of the farm and market garden are undertaken. The whole scheme has been at work too short a time to allow of any reliable estimate of its permanent effect upon the men employed, especially as their subsequent career is, in the majority of cases, not clearly reported.

The Church Army Labour Homes.

34. The system of the Church Army with regard to their Labour Homes differs from that of the Salvation Army in several points. Their aim is stated to be "to plant these homes in the

poorest and most necessitous parishes, so that selected cases of the abject and apparently hopeless may be received, definitely influenced, and trained to industry, total abstinence, and godliness." Hence it is considered desirable to deal with the unemployed in numbers small enough to admit of individual personal influence, and twenty-five persons is made the maximum. Every case is carefully investigated, and only those which appear capable of help are admitted, the rest being left to the ordinary operation of the Poor Law. Unlike the Salvation Army, which works independently of other organisations, the work is carried on as far as possible in conjunction with the Boards of Guardians, the local committees of the Charity Organisation Societies, and other existing agencies. Full pay on piecework is given for the first two months, half-pay for the third, and no pay, in addition to board and lodging, during the fourth, as by that time it is considered that most men can obtain situations and work for themselves outside. The full information with regard to each man contained in the records of the inquiries made at the time of his entrance makes it somewhat easier for them to find

employment, and of the 654 who left the Homes during 1892, situations were found for 339.

Training Farm at Langley.

35. An attempt on a small scale to train a certain number of the unemployed in farming work with a view to emigration is being made at Bird Green Farm, Langley, Essex. The men received are carefully selected, and a full record is kept of the career of each. A situation in Canada is found for each man when sufficiently trained in the use of farm tools, and of the forty men thus sent between May 1891 and June 1893 it is stated that only three have since been reported as unsatisfactory. The experiment belongs, however, rather to the class of emigration agencies than to those providing work for the unemployed.

Home Colonisation Society.

36. The experiment of the Home Colonisation Society in Westmoreland is as yet in a very early stage, the society having been only a short time in possession of enough land for a small colony. Criticism of its results would therefore be obviously unjust, especially as its progress has been impeded by internal dissensions with regard to the government of the village. The aim of the society is the permanent settlement of the colonists on the land, and the colony is to be as far as possible "self-contained." Up to September 1893 fifty-two persons had passed through it, of whom twenty-two are resident. Another project for farm colonies has been recently formed by an association called the "English Land Colonisation Society," but no colony has as yet been founded.

2. *Labour Colonies on the Continent*[1]

The Labour Colony system in Germany.

37. The German system of dealing with the unemployed, of which the Labour Colonies are only a branch, comprises also the Verpflegungs-stationen or relief stations, the Herbergen zur Heimat or workmen's lodging-houses, and the Arbeitsnachweis-Anstalten or labour bureaux. The most important of this group of institutions are the Labour Colonies proper. Their rise was due, according to Professor Mavor, to three causes—the dislocation of industry succeeding the inflation of trade caused by the payment of

[1] See also my *Foreign Report to the Labour Commission*, vol. v., Germany, pp. 88-91 [c. 7063–vii.] It appears that the German Labour Colonies are now in a far from satisfactory condition. Those where the administration is strict are avoided, while those where it is lax are crowded with applicants, and any attempt to improve the discipline is rendered fruitless by the opposition of the colonists.

[37] the French war indemnity; the need felt by philanthropic conservatives to offer some positive means of amelioration for the poverty-stricken to counterbalance the propaganda of the social democrats, and, thirdly, the development of a spirit of humanitarianism. The first colony was founded at Wilhelmsdorf in 1882, and the number of such establishments is now twenty-six. The system is under the control of the German Labour Colony Central Board, which holds annual meetings and receives reports from the provinces in which the colonies are situated. The colonies, in the words of this Board, are "institutions of Christian charity" for the reception of those who have suffered "inward or outward shipwreck." All able-bodied single men willing to work are admitted without distinction of character, and the object aimed at is the permanent moral elevation of the colonists. The necessary funds are derived from grants from the provincial governments and municipalities, and from charitable sources. The colonies are "exclusively places of temporary resort for single men." Prolonged residence is discouraged; and no colonist is allowed to remain more than

two years. The object of this regulation is to [37] prevent the colonist from acquiring under the German law of settlement a domicile in the colony, which, in the event of his becoming a pauper, would make the commune in which the colony was situated liable for his maintenance. The law is, however, sometimes evaded, as, for example, by six men at Wilhelmsdorf, who take a fortnight's holiday every two years. The repeated admission of the same person is indeed one of the chief features of the system. Statistics show that during the period 1889-91, 53·7 per cent of the total number had been in the colonies only once, while 46·3 had been in more than once, *i.e.* nearly half the colonists seek frequent or continuous relief from the colonies. The percentage of those who leave the colonies never to return is, moreover, stated to be steadily diminishing. With regard to the class of persons with whom the colonies deal, it is a significant fact that of the total number received 76 per cent have at some time been imprisoned. The statistics given afford no direct indications of the causes of resort to the colony, but this fact makes it highly probable that the most general cause is the inability of

the ex-prisoners to obtain employment. In very few cases do the colonists arrive direct from the prisons. They have generally either made an attempt to find work, or have led a vagrant life during an interval of longer or shorter duration before having recourse to the colonies. Such a life is made peculiarly easy for the German tramp by the system of relief stations. A prominent feature of the German scheme is the strongly religious basis on which the colonies rest.

Effects of the German Labour Colony system. (a) On the problem of employment.

38. In estimating the results of the German Labour Colony system it is evident that the evils caused by want of employment are only met to a limited extent. Knowing the class of men with whom he will have to associate, the genuine working man out of employment shuns the colonies. "He will not help to form the insignificant minority of twenty-five in the society of seventy-five ex-convicts." Nevertheless, it appears that the colonies and the subsidiary institutions connected with them are dealing effectively with the problem of vagrancy and begging, the number of prosecutions for vagabondage having fallen from 23,093 in 1880, before the colonies were founded, to 13,583 in 1890.

Further, these institutions apparently meet the case of discharged prisoners better than any others at present existing. At the same time it is increasingly difficult to find employment for the colonists, and when found the situations are frequently of an inferior order. As a rule, employers who seek to employ ex-colonists only do so because they imagine that such labour can be obtained at an exceptionally low rate of wages. It appears, in consequence, that there is a tendency to decrease wages in the immediate neighbourhood of the colonies. That the system has any general effect upon the rate of wages has, however, been denied on the grounds that wages in Germany are still to a great extent regulated by custom, and that the material dealt with by the colonies "does not in any real sense enter the competitive labour market." With regard to the first point, Professor Mavor argues that custom does not now prevail so largely as formerly. With regard to the second, he points out that it is only because the colonist is non-effective that he does not compete in the labour market. "If the colonies turned out annually large numbers of regenerate labourers they would compete." The element

(b) On wages, regularity of employment, and trade.

of non-interference with the processes of ordinary industry, which at present is claimed by the colonies, would then disappear, and "it would depend upon the skill with which they were administered whether or not they wrought to social disadvantage, however benevolent their intentions might be." The same argument applies to the question of the effect of the colony system on the regularity of employment. Their competition in the market for goods, however, cannot be entirely denied. The bulk of the produce is consumed in the colonies, and in agricultural districts the amount brought into the market is so small as to be regarded with equanimity by the local farmers and market gardeners. But in the case of the town colonies, the brush-makers, toy-makers, and others whose industry is interfered with, are by no means favourable to the competition of the colonists. As to the effect of the system upon the men themselves, it is very difficult to obtain statistics as to the subsequent careers of those who have left the colonies and never returned. Varying estimates of from 5 to 25 per cent of successes out of the numbers admitted have been made, but cannot be relied

(c) On the colonists.

upon, as the ex-colonist takes pains to hide all traces of his having ever been in a colony. With regard to the financial results, it appears that the only case in which an "actual increment" has been realised is the Berlin (city) colony. The land reclamation carried on in the rural districts results, no doubt, in increased value of the land, but owing to the inefficient nature of colonist labour this is seldom turned to any practical account. Moreover, the object aimed at being not the greatest net produce, but the reformation of the men employed, the colonies are necessarily carried on on totally different lines from those which would be followed by an individual engaged in private business. An ordinary farmer, for example, endeavours to cultivate his land with as few labourers as possible; the director of a colony "has to find room upon the land for as many men as he can crowd upon it." This fact must always militate against the financial success of the colonies.

(d) Financially.

39. An account is given by Professor Mavor of the working of the original colony at Wilhelmsdorf. The work done here includes, besides farm labour, the making of roads and construction of farm buildings. The intending colonist is ac-

The colony at Wilhelmsdorf.

cepted at once, though inquiries as to his previous career are made through the police during his first few days at the colony. However bad his record may have been he is never liable to dismissal from the colony unless he misconducts himself there. Clothes are supplied on credit; no wages are paid during the first fourteen days at the colony, and during the rest of his stay the colonist is credited with the amount due to him after the value of his clothes, etc. has been deducted. This is given to him on his departure. Frequently, however, the colonist leaves the institution in debt. This fact forms a problem which is likely to become very serious. The loss to the colony is not great, but the effect on the colonist is undoubtedly pernicious if he is enabled to come for a few weeks to the colonies, obtain clothes on credit, and then depart. If, on the other hand, the colony were permitted to detain a colonist until he had earned the value of his clothes, etc. the principle of liberty of movement, which has hitherto been held sacred, would be violated, and "the door would be open to some of the incidents of the sweating system." Most of the colonists at Wilhelmsdorf are employed in field

work. The orderliness, the good nature, and the spirit of hard work prevailing throughout the colony are said to be very remarkable.

Suggestions with regard to the Labour Colony system.

40. The development, so far as it has gone, of the Labour Colony system in Germany brings out clearly two facts—that colonies open to all tend to be occupied mainly by discharged prisoners, and that a certain number of all those who frequent the colonies stand in need of permanent organisation. The prominence of these facts has led to the suggestion of various schemes for the improvement of the system. Dr. Berthold proposes that those who have been frequently in prison and in the colonies should be handed over to the police, which would involve their being sent to the House of Correction. Pastor Cronemeyer, on the other hand, recommends that those who have been imprisoned twice or oftener should be sent to a new type of colony, to be called the "Improvement Colony," and compelled to remain there for at least three months. Those who had been diligent in the colony, but still stood in need of permanent organisation, should be sent to another type of colony, the "Home Colony." Here they would at first be treated as colonists

are under the present arrangement, and afterwards settled with their families on small holdings. Objections may be raised to both these proposals. The first is apparently a return to a system which the Labour Colonies were intended to improve upon; the second involves compulsory residence in a private institution—"a method," says Professor Mavor, "hitherto associated with grave evils." The "Home Colony" plan has, however, been tried since 1886 at Friedrich-Wilhelmsdorf, where there has been for the last two years an average of thirty-five colonists.

Subsidiary institutions in Germany.

41. The Herbergen zur Heimat are a kind of model lodging-houses, of which there are 410 in Germany. Most of them are established and maintained by local or provincial societies. The accommodation at the different Herbergen varies very much; but it is stated to be as a rule much superior to that provided by the Salvation Army shelters in London or by the Municipality of Glasgow in their model lodging-houses. The cost, moreover, is slightly less. Relief stations are attached in some cases, in which applicants for shelter may earn the value of their night's lodging by wood-chopping, etc.

These institutions, though only subsidiary to the Labour Colonies, have an important bearing on the question of want of employment, inasmuch as they largely increase the mobility of unemployed labour.

The Dutch Labour Colonies.[1]

42. The Dutch Labour Colonies owe their origin to the Society of Beneficence, whose founder, General Van der Bosch, "had conceived the design of placing the able-bodied paupers of Holland on small holdings, subject to a life rent, upon the great tract of moorland in the provinces of Friesland and Overyssel in North Holland." The first colony was founded at Frederiksoord in 1818. Of the various branches of the scheme undertaken by the Society of Beneficence, the two of the greatest importance are the Free Colonies and the Beggar Colonies.

The Free Colonies in Holland contrasted with the German system.

43. The system under which the Free Colonies are worked differs in several essential points from the German plan. In the first place, their object is to make permanent provision for the colonists, while the German

[1] See also my *Foreign Reports to the Labour Commission*, vol. iii., Holland, pp. 31,32 [c. 7063-vi.], and *Fifth Report of the Royal Commission on Labour*, Part II., Summary of Evidence before the Commission sitting as a whole, § 567 (iv. to viii.)

colonies are primarily only a temporary refuge and reformatory. The Dutch colonies recognise the family, and accept the responsibility of training the children and finding them situations when they grow up. They have avowedly none of the optimism of the German system, the object of which is to reform the colonist. In Holland the adult colonist is regarded usually as a hopeless case, and attention is concentrated on the education of the children. No stress is laid on the religious element. The Dutch colonies again, unlike the German, deal with the impotent as well as the able-bodied poor. For this reason their finances must be regarded in a totally different light from those of the German colonies. The three free colonies are at Fredericksoord, Willemsoord, and Wilhelminasoord. The inhabitants are divided into two classes, free farmers and labourers. The free farmers are peasants cultivating small holdings on what is practically a life tenure, stock being supplied by the colony on credit. The labourers are admitted on the recommendation of charitable associations in the cities. Each family is housed in a separate cottage, and those who are capable of work are em-

ployed on the colony farm at a rate of 8d. and 1s. a day in winter and summer respectively. After five or six years' good conduct the labourer may be promoted to the rank of a free farmer. Almost all the colonists prior to their entrance into the colony were unskilled labourers in the cities, and the causes of resort to the colony are said to be very various. The average age on entrance appears to be forty years. The accommodation as to cottages, etc. in the colony is of about the same level as is usual among agricultural labourers in its neighbourhood, and the standard of living is much the same. Schools of forestry, agriculture, and horticulture have been established for the training of the young colonists.

Results of the Dutch system of Free Colonies.

44. The colonies were visited in 1853 by Sir John MacNeill, whose criticism of their results was decidedly unfavourable. The number of farmers had fallen in five years from twenty-five to sixteen, and owing to the want of aptitude of the colonists for agricultural labour, and a general want of economical habits, he declared that "the Free Colony, regarded as an attempt to make the families maintain themselves, must be pronounced a failure." There

are two objections which may undeniably be justly raised against the colonies. The first is the greatness of the cost in relation to the number benefited; the other is the danger of producing a permanent race of paupers. "The Dutch colonies," writes Professor Mavor, "form really an endowed institution, where a privileged few of the Dutch poor live in more or less comfortable circumstances at a cost of about £23 per family per annum to the charitable societies of the country." He admits, however, that within the limits of the intention of the Society of Beneficence the colonies need not be regarded as failures. They secure healthy and industrious lives for a number of families, who but for their residence there might become recruits for the criminal or permanently indigent classes. Against the cost, moreover, must be set the probable loss to society through depredations, poor relief, and charitable aid, the necessity for which is obviated by the colony system.

The Penal Colonies in Holland.

45. The "Beggar Colonies" at Ommerschans and Veenhuizen were administered by the Society of Beneficence till 1859, when the Government took them over. There are now

two penal colonies in Holland, Veenhuizen for men, and Hoorn for women. The type of men found in Veenhuizen is similar to those found in the German "Corrections Anstalten," and they are said to be "fibreless and irresponsible to an extreme degree." Though prisoners, they enjoy a certain amount of freedom and receive wages for their labour. The accommodation of the older buildings of Veenhuizen is inadequate in many ways.

The Belgian Labour Colonies.[1]

46. The three Belgian colonies of Hoogstraeten, Merxplas, and Wortel are all situated in the province of Antwerp. The Labour Colony system was first introduced into Belgium in 1810, and till 1841 there were six State "depôts de mendicité," of which Hoogstraeten is the only one remaining. Merxplas and Wortel were established and for many years maintained by the Société de Bienfaisance. In 1870 they were acquired by the Government. By the Royal Decree of 2nd August 1878, the colonies were placed under the immediate administration of the Department of Justice, and their inspection is entrusted to a Commission

[1] See also *Fifth Report of the Royal Commission on Labour*, Part II., Summary of Evidence before the Commission sitting as a whole, § 567 (x.)

[46] presided over by the Governor of the province of Antwerp. All individuals found in a state of vagabondage or begging are, by the law of 27th November 1891, to be arrested and taken before the tribunal of police. They may then be consigned to the colonies for a period varying from one to seven years, the cost being defrayed in equal shares by the State and the province and commune to which the prisoner belongs. Under the law of 1866 the colonies were empowered to receive voluntary entrants, but the number of these was never large and steadily diminished. They are now confined to the colony at Wortel. Each of the three existing colonies has certain distinctive characteristics. The colony of Hoogstraeten is intended for the wholly or partially infirm, and has accommodation for 1300 persons. The inhabitants are as far as possible employed in agriculture and domestic industries. They are divided into three classes, viz. (1) invalids of bad morals, and those with whom contact constitutes a moral danger; (2) cripples and old men, who are unable to support themselves, but who are capable of a certain amount of labour; (3) the infirm and imbecile, and those absolutely

unfit for labour. The colony of Merxplas is [46] exclusively intended as a Penal Colony for able-bodied beggars and vagrants. It appears that approximately 60 per cent of the men at present in the colony had before their entry been agricultural labourers, 25 per cent dock hands, etc. and 15 per cent skilled labourers. The latter are as far as possible employed in the industries to which they are accustomed. The work of the others is performed in gangs under the supervision of an officer, and consists largely in the construction of the colony buildings and the making of roads. The colonists are divided into four classes, according to their character and behaviour while in the colony, and the members of the different sections never come in contact with each other. The colony of Wortel contains at present 1800 persons, of whom thirty-eight are voluntary colonists. The discipline of these thirty-eight is less stringent than at Merxplas, as these colonists are not committed by the police, but are sent, by their own consent, by order of the Local Authorities of the place to which they belong. The remainder of the 1800 colonists are men of the same type, and are dealt with in the same way as those at Merxplas.

Results of the Belgian system.

47. Although the conception of the Belgian colonies included the Free Colony for the workman out of employment as well as the Penal Colony for the beggar and vagrant, the result of the combination in the same place and under the same administration has been the almost total disappearance of the free element. The number of voluntary colonists has never been large, and is now insignificant. There appear to be three reasons for this. In the first place, the colony is not really free, as a man must be sent there by a magistrate's order, and must be paid for by his commune. If a cheaper mode of dealing with him can be discovered, it is to the interest of the commune to adopt it. Secondly, the discipline and the association with the other type of colonist are very irksome; and, thirdly, it is admitted to be almost impossible to obtain employment on leaving the colony. The whole system has been sharply criticised by Dr. Woeste, who contends that the regime of the depôts is in reality more severe than the prisons, and who only approves of the detention of the colonists because he is "convinced that those who might be disposed to become vagabonds will recoil from

the extremity." He adds that he considers that "if workmen are out of work, when they search well they will find it," and points out that though temporary assistance may be necessary during the search, statistics show that to send unemployed workmen into the colonies is not the remedy for their distress. Two conclusions suggest themselves in connection with the Belgian system and Dr. Woeste's criticisms. It appears, in the first place, that the Labour Colony question is really a twofold one, and that a colony administered by the State which admits alike voluntary colonists and those sent by the magistrates, must tend to become an institution for the latter class exclusively. In the second place, it is very questionable whether this system is really reformatory in its effects. It appears rather to be simply punitive. The record of the ex-colonist precludes his employment in ordinary industry, and he tends to fall again into the hands of the police, and thus merely to return to the colony.

Labour Colonies in France.

48. The Agricultural Colony of La Chalmelle in France was founded in January 1892, at the instance of M. Georges Berry. It is situated

about fifty miles from Paris, and is under the control of the Department of L'Assistance Publique. The men are carefully selected from those received at the night refuges in Paris. M. Berry would prefer that the colony should be open to all, but admits that if this were so it might speedily become the resort of the professional vagabond. The type of men in the colony are in consequence of this selection superior to those of the German colonies. There are no ex-convicts, and the reasons given for resort to the colonies are of quite a different character. "Family misfortune," "disgust with the life of Paris," and similar causes are alleged. Wages are paid at the rate of 50 centimes a day; clothes are given on entrance, but subsequent requirements are debited to the colonists. The net annual cost of the colony is estimated at 15,000 francs, and 106 men have been received since its foundation, of whom 36 have been placed in permanent situations. It is, however, too soon to judge of the results of the picked colonist system from this experiment.

49. There are no Labour Colonies proper

in Austria, but Relief Stations[1] have been established in Lower Austria and Moravia, and it is expected that Bohemia, Silesia, and perhaps other provinces will follow. It is alleged that in the provinces where they have been introduced there has been a diminution of vagrancy, and the cost of deportation of vagrants to their "home parish" has been reduced. The Relief Stations serve also as Labour Bureaux.

Labour Colonies in Austria.

50. Switzerland possesses one institution, —the Tannenhof Arbeiterheim,—with aims similar to those of the German Labour Colonies. It was founded in 1887, and is carried on by a society registered as a limited liability company. It professes to "provide a temporary home for those in search of work, as well as for unemployed persons discharged from the prisons of Berne—board, lodging, and wages being provided in return for agricultural labour until permanent work is secured elsewhere." The experiment has succeeded financially. The land has been so improved that the colony

Labour Colonies in Switzerland.[2]

[1] See also my *Foreign Reports to the Labour Commission*, vol. xi., Austria-Hungary and the Balkan States, p. 130 [c. 7063-xi.]

[2] See also my *Foreign Reports to the Labour Commission*, vol. viii., Switzerland, p. 40.

could now be worked with about half-a-dozen men, and steps are under consideration for acquiring more land. The receipts, moreover, for the year ending 31st March 1893 exceeded the expenses by £10. No information is, however, given as to the class of men who frequent the colony or as to their subsequent history. Besides this colony, Herbergen zur Heimat are to be found in several Swiss towns, and in the Canton of Zurich the system of Relief Stations has been largely developed.

Concluding observations with regard to the adaptability of the Labour Colony system to England.

51. The application of the Continental Labour Colony system to the solution of the problem of the unemployed in England is rendered difficult by the minor questions which are necessarily involved. The difference in the economic conditions of the countries in which the system has been adopted and of England must be taken into account. It is probable that the competition for employment is not so keen in those countries as in England. The Continental system of compulsory enlistment has the effect of thinning the labour market, as it absorbs the young men at the moment they would be entering into industrial life. In those countries, again, agriculture preponderates over town industries, here town industries preponderate over agriculture. The unemployed on the Continent are, therefore, drawn mainly from the ranks of agricultural labour; in England they come from the towns. These considerations are of importance in connection with a system of industrial colonies which, if not wholly, are at any rate in the main agricultural in character. Again, the question arises, for whom and for what is the Labour Colony intended? It may be regarded as a means of suppressing beggars, clearing tramps from the highways, and providing a refuge for discharged prisoners, and as such it is fairly successful. It has been suggested that it might, therefore, be desirable to introduce it into England for these purposes alone, careful inquiry having first been made as to the number of persons for whom it would be necessary to make such provision. Colonies established with this object in view might be of two orders—Penal Colonies like those of Veenhuizen in Holland and Merxplas in Belgium, and Free Colonies after the German or Dutch model. Those of the first type would be a prison to which vagrants would be committed

[51] by the magistrates for specific periods. The experience of both Holland and Belgium seems to indicate that these institutions could not safely be entrusted to private management. The evidence seems, further, to be wholly against the supposition that they are reformatory in character. They form merely a receptacle for those who, if they were free, would prey upon society and render means for relieving the deserving poor almost entirely futile. Free Colonies would serve, as the German colonies do, as an alternative to the Penal Colonies for precisely the same class. It would appear that these institutions might be managed by privately incorporated charitable bodies, receiving municipal, provincial, or State aid. Such colonies would probably be no more expensive than the existing method of relieving the classes of persons who would apply to it, and might be managed in such a way as to offer superior advantages. Among the class of the unemployed who are willing and able to work, but who cannot get work to do, the Labour Colony system might be useful, provided the lower grades—the vagrant and the discharged prisoner—were previously dealt with.

A colony open to all tends, as the history of [51] the German and Belgian colonies amply proves, to be occupied only by the lower class. "The classes will not mix,—to admit the one is to exclude the other." It would appear, then, that if the Labour Colony system is adopted, one system of colonies should be established first for the discharged prisoner, the vagrant, and the loafer on the "open" principle, and another for the worthy unemployed on the principle of "selection," or at least investigation. Here, however, numerous practical difficulties arise in connection with the delay involved in investigation; with the question of the recognition of the family; and, if this is accepted, of the increase of population; with the extreme fluctuations of employment in England; and with the differentiation of modern industry. Hence for the genuine unemployed workman the Labour Colony system does not seem to promise satisfactory results for either society or the colonist. As a "sanatorium for the discouraged single workman," a series of small colonies may serve a useful function. As a means of dealing with the class of vagrants, beggars, and discharged prisoners, the system may be employed

with advantage to society and on the whole to the colonists. Except to this extent, however, it does not, as at present observed, appear to offer the solution of the English problem.

3. *Permanent Provision of Work in the Past*

The old Poor Law system.

52. According to the Poor Law of Elizabeth's reign, the churchwardens, with two or three substantial householders in each parish or group of parishes, were directed to "take order from time to time for setting to work all persons . . . having no means to maintain them, and using no ordinary and daily trade of life to get their living by." This clause was, however, widely neglected, though during the seventeenth and eighteenth centuries a number of reports were published on the subject of the employment of the poor as a means of relief. In 1697, after the reconstitution of the Board of Trade by William III., Commissioners were appointed for the preparation of a scheme for "the setting of the poor of this kingdom at work." Several schemes were drafted by the Commissioners, and among them was one by John Locke, an analysis of which is given subsequently. From this time experiments were

tried in various districts, such as the establishment of "Houses of Industry" or of parish farms for the employment of paupers. In many places, again, paupers were lodged in "poorhouses," and sent out to work for outside employers during the day, or were employed by parishes in road-making, stone-breaking, etc.

Report of the Commissioners in 1834.

53. In spite of these attempts, the Commissioners appointed in 1834 to inquire into the administration of the Poor Law, reported that "payment for work is the most unusual form in which relief is administered." They observe that it would be difficult to suppose the existence of a parish in which it would not be possible to provide some work, were it merely to dig holes and fill them up again. They account, therefore, for the non-fulfilment of the law of 1601 on three grounds. In the first place, to afford relief gratuitously is less troublesome to the parochial authorities than to require work in return for it, as superintendence is especially necessary in dealing with pauper labour. Secondly, the practice of collecting paupers in gangs for the performance of parish work is found to be even more injurious to their conduct than allowance or relief given

[53] without requiring work. Lastly, parish employment does not afford direct profit to any individual. Under most other systems of relief the immediate employers of labour can throw on the parish a part of the wages of their labourers, and they therefore prefer such methods. In those parishes where labour is the condition on which relief is granted, great differences were found to exist with regard to the kind and duration of the work required and the amount of its remuneration. In a few parishes the work was irksome, the hours long, and the pay less than a private employer would give. In others the labour was far less than would be required from an independent labourer, but the pay was diminished so far as was consistent with the supposed wants of the applicant. In these cases the paupers were generally idle for certain days in each week, and in consequence "their character soon became so infamous that no person would employ them." In some of the agricultural districts, it is reported, the prevalent mismanagement in this respect created in the minds of the paupers a notion that it was their right to be exempted from the same degree of labour as independent

labourers. In two parishes in Berkshire they [53] appealed to the magistrates against the demand of the overseer that they should work for the same hours. In many places, moreover, while the labour required by the parish was trifling, the pay equalled or exceeded that of the independent labourer. Thus at Eastbourne, where the wages for independent hard work were 12s. a week, the parish paid for nominal labour as much as 16s. At another town in Sussex, the surplus labourers were put up to auction and hired at 2d. or 3d. a day, the rest of their maintenance being made up by the parish. The result was that the farmers turned off their regular hands in order to hire them by auction when they wanted them. In Northamptonshire the work offered was usually upon the parish roads; the hours were much shorter than those of independent workmen, the men were sure of their 12s. or 10s. a week whether they worked or not, and no superintendence was exercised. "Of course, under these circumstances, the men do anything but work . . . in short, where there are many able-bodied men employed on the roads, there everybody complained of petty thefts, pilfering,

poaching, etc., as the natural consequences. . . . Whatever the previous character of a man may have been, he is seldom able to withstand the corruption of the roads; two years' occasional employment there ruins the best labourer."

Locke's "Representation on the employment of the Poor."

54. In noting the "multiplying of the poor and the increase of the tax for their maintenance," Locke observes that this evil could have arisen neither from scarcity of provisions nor want of employment for the poor, since harvests had been plentiful, and trade as good as ever. The cause, he concludes, can be "nothing else but the relaxation of discipline and corruption of manners." He proceeds to divide the poor who are receiving relief into three classes: (1) Those who can do nothing at all towards their own support; (2) those who, though they cannot maintain themselves wholly, yet are able to do something towards it; (3) those who are able to maintain themselves by their own labour, but whose families are too large for them to support by it, or who pretend they cannot get work, and so live only by begging or worse. The first remedy proposed for the cure of these evils is a "restraint of the debauchery of the poor, particularly by the

suppression of unnecessary ale-houses." Next, Locke recommends a strict administration of the law of 1601, which, if its execution were "pressed on the overseers," might produce satisfactory results till fresh remedies could be provided. For the more effective suppression of idle vagabonds, however, he proposes that a new law should be passed, the draft of which contains the gist of his opinions on the question of poverty. Locke deals first with the third class of paupers. All able-bodied men found begging in a maritime county were by this plan to be taken to the nearest sea-port town, and put on board one of His Majesty's ships to serve for three years under strict discipline. If the man were found begging in an inland county he was to be taken to the nearest House of Correction, there to be kept at hard labour for three years. A woman in the same circumstances should be merely "conducted home to her own parish" for the first offence, but sentenced to three months' hard labour at the House of Correction for the second. Inquiry was, moreover, to be made into the discipline of the Houses of Correction, and nobody to be allowed to leave till he had given manifest

[54] proof of amendment. Locke supposes that if these measures are carried out there will not be many who will have the pretence they want work. In order to take away that pretence, however, he provides that a person complaining that he cannot get work shall be offered to any one willing to employ him at a lower rate than is usually given. Should this offer be refused, the overseer is empowered to require every inhabitant of the parish in turn to employ the man. In the case of the man refusing to work he is to be sent either to sea or to the House of Correction. Locke deals next with his second class—those who are not able wholly to support themselves, but who can do something towards it, though under pretence they cannot get work they generally do nothing. These he divides into two classes—grown people "decayed from their full strength," and children. With regard to the former, he considers that the "true and proper relief" is to find work for them, as the cost of their food, clothes, and firing will in any case be charged upon the parish. This, he contends, is already provided for by law, and the existing evils are only due to its neglect. As to the children, he advises that they should

be taken off their parents' hands at three years [54] old and placed in working schools, where they should remain till the age of fourteen. By this means they will be better fed and clothed, and may be trained in good habits, "whereas now . . . they are as utter strangers both to religion and morality as they are to industry." The parish, moreover, will not be a loser, as the earnings of the child from three to fourteen are estimated to cover the cost of its maintenance. For the class of persons who are not able to maintain themselves at all, Locke recommends that they shall be lodged together, with a view to economy and the convenience of the parish officials. No person should be admitted to an allowance from the parish but by the joint consent of the guardian of the said parish and the Vestry, and nobody should be allowed to beg unless he wore the badge of his parish. In corporations twelve guardians should be elected, of whom four should retire annually; and the poor rate should be levied, not by distinct parishes, but by one equal tax throughout the whole corporation. Finally, if any person died for want of relief, his parish should be fined according to the heinousness of the crime.

CHAPTER III

TEMPORARY AGENCIES WHOSE OBJECT IS TO MAKE WORK

1. *Recent Examples of Temporary Provision of Work*

Provision of work by Municipal, etc. Authorities, 1892-93.

55. DURING the year 1892 the depression succeeding the period of trade prosperity, which had culminated in 1890, was so marked as to lead, in the early autumn, to numerous movements for coping with the anticipated distress, or for inducing Local Authorities to take measures for that purpose. The London Trades Council made an attempt by means of inquiry forms to obtain approximately the number of the unemployed in London, with a view to taking action to secure the provision of "some useful employment for the thousands of men at present unemployed, and whose

number will be largely augmented as the winter is advanced." Having failed to obtain accurate information in this manner, the Council appealed to the Local Government Board and to various Local Authorities, urging them to take steps for dealing with the unemployed. The "Unemployed Organisation Committee" was also formed in order to conduct an agitation for the employment by Local Authorities of men out of work. Meetings on Tower Hill were promoted, and deputations sent to several departments of Government and Local Authorities. In some districts temporary organisations came into existence to deal specially with out-of-work cases, but in most instances these concerned themselves rather with relief in money or kind than with the provision of work. On 14th November, however, a circular was issued by the Local Government Board to Local Authorities and Boards of Guardians in England and Wales, recommending them to open relief works during the winter months for the assistance of the unemployed. The circular pointed out that it is "not desirable that the working classes should be familiarised with Poor Law relief," and that the object to be aimed at was the relief of "artisans

and others who have hitherto avoided Poor Law assistance, and who are temporarily deprived of employment." In consequence, the Board considered that what was required was—"(1) Work which will not involve the stigma of pauperism; (2) work which all can perform, whatever may have been their previous avocations; (3) work which does not compete with that of other labourers at present in employment; and, lastly, work which is not likely to interfere with the resumption of regular employment in their own trades by those who seek it." The Board, in conclusion, recommended that the men employed should be engaged on the recommendation of the guardians, that the wages paid should be something less than the ordinary wages paid for similar work, and that where possible the work should be commenced at an early date. In response to this circular work of some kind was provided for the unemployed by ninety-six Local Authorities. Their method as regards wages, hours, and other conditions varied very greatly. Some made inquiries into the character of applicants; others accepted any person presenting himself. In some districts the same men

were employed continuously; in others, they worked only three days a week in order to look for permanent work on the remaining three; in others a large number of men were employed in weekly or half-weekly relays. Wages varied from 1s. a day to 6d. an hour.

Provision of work in London.

56. The work provided by the London Vestries was in most cases road-sweeping, clearing away snow, or scavenging. The plan of employing the men in two relays, each set working three days a week, was the one most generally adopted; but where the work (*e.g.* clearing snow) was irregular in character, no systematic plan could be followed. In a few districts, as in St. Marylebone, the provision of work took the form of temporary additions to the ordinary staff of the Local Authority, who worked for the ordinary hours and for six days a week. Many of the Vestries made but little inquiry into the *bonâ fides* of applicants, and in most cases the recommendation of the Local Government Board, that the arrangements should be made in co-operation with the guardians, was disregarded. It may be noticed in this connection that several Boards of Guardians in London took common action in declining to

carry out the suggestions of the Local Government Board circular. They contended that the provision of work for the unemployed would be "foreign to their duties as administrators of the Poor Law," and that, moreover, such provision "would have the effect of impressing the working classes with the idea that the State had set itself the task of guaranteeing employment, whenever the labour market was slack, for all men who might be out of work from whatever cause." They admitted that in a temporary crisis, such as the freezing over of the river, exceptional measures might be required, but even then they held that the necessary funds ought to be, and would be, contributed from charitable sources. The policy of providing relief work for the unemployed is criticised also by the surveyor of the Kensington Vestry, who points out that at the times of the greatest distress not only is there no scope for the employment of extra labour, but if the parish business were conducted on strictly economical principles, 75 per cent of the regular hands might be suspended. His report further comments on the objection of the unemployed to stone-breaking as being "convict labour,"

and their demand for "work of a (to them) non-repulsive character at the Union rate of wages." A few Vestries report the work to be satisfactorily done, and in the case of St. Leonard's, Shoreditch, the experiment is deemed "eminently successful." In most instances, however, the work is described as "unsatisfactory," "poor," or "inferior," and the costliness of the experiment is frequently remarked. With regard to the demolition of Millbank Prison by means of unemployed labour, which was undertaken by the Office of Works through a contractor, it appears that "the results achieved were inadequate." "As time went on the men drifted away to more congenial occupations."

Provision of work in other districts of England and Wales.

57. In the provinces it is noticeable that very few Local Authorities took any special action on the instance of the Local Government Board circular. Where they did so, moreover, little attempt was made at systematic co-operation with the guardians or other relief agencies for the purpose of selection of applicants. The results do not as a whole appear satisfactory. The superintendent of the Manchester Corporation, which employed a daily average of 1570 men at 4d. an hour, is of opinion that "the

[57] men did not earn half their wages, and were generally of the 'loafing' class, not accustomed to continuous labour." The General Purposes Committee of the Corporation of Birmingham reports, that the employment on public work of a number of ill-assorted workmen of the type to which most of the unemployed belong would be fatal to its proper execution; and hints, moreover, that the effect of such employment on the regular hands would be disastrous. The Corporation finally "falls back on the sound principle that Municipalities exist for certain limited public functions. . . . The local government of a town as respects its lighting, watching, and public works has no necessary connection with the relief of distress. It is the duty of the Municipality to carry out its proper municipal functions in the most effective and economical manner, and with this object to employ the most able and competent workmen. . . . The claim that every man out of work shall be found work by some one else cannot be recognised." The most extensive of the provincial relief works were those at Leeds and Liverpool, and an account of these is given in the Board of Trade Report.

(*a*) For some time past Leeds had suffered [57] Leeds. from a somewhat acute depression of the iron trade. In consequence, therefore, of the representations made at a series of meetings of the unemployed, and of the receipt of the Local Government Board circular of 14th November, the Corporation voted £10,000 for the employment of such men as appeared to be in need, in excavating and levelling ground for new parks. Accordingly a register was opened for unemployed persons. Applicants for registration were examined on several points. Men known to be on strike were excluded, and preference given to married men with families, but beyond this little selection was attempted. No systematic co-operation was carried on with other relief associations. The number actually employed was 1103. Each man was employed three days a week for nine hours, at 5d. an hour, and had on an average sixty days' work, the relief works being open from 15th December to 26th April. Except at the East End Park the work done was said to be "far from satisfactory." With regard to the permanent effects of the scheme, it was found that of seventy-seven men whose subsequent career

was investigated, twenty-seven were at work in their own trades, and five at other occupations, twenty-eight were out of work, and the remainder were ill, in the workhouse, or still employed on the Corporation relief works. Of the twenty-eight reported as out of work, inquiry shows that in almost every case they belonged to the chronically unemployed class. To this class the relief works are of no permanent assistance; but among those who were found to be working at their own trades, a certain number may have been considerably benefited by the temporary provision of work during a slack period.

Liverpool.

(*b*) In Liverpool, the regular recurrence of distress in the winter months, caused by the stagnation of various branches of dock and river-side labour, led early in the present year to the formation of an "Association of the Unemployed." A registry was opened, at which 3774 names were entered, but the Association was unable to find work for more than eighty until the Corporation in March undertook relief works in Pall Mall. The Corporation did not employ labourers directly, but contracted with the chairman of the Association

to provide local unemployed labour to carry out the work at a fixed piece-rate of 8d. per cubic yard. Only sixty men could be employed on the works at a time, and it was therefore arranged that relays of unemployed should work a week at a time in order to make the work go further. No sifting or selection was attempted. The daily earnings of the men varied from 2s. 6d. to 4s. 3d. It would appear, therefore, that their labour was about half as efficient as that of ordinary navvies, who, in the opinion of the surveyor, could at the rate offered have earned from 7s. to 8s. a day. The works were open altogether for seven weeks. The relief, given as it was without discrimination, could only, it appears, have touched "the merest fringe of Liverpool distress." It amounted in all to one week's work for about 12 per cent, taken at random, of the men registered as "unemployed."

Provision of work in Scotland.

58. In Scotland, relief works were opened at Dundee, Greenock, Aberdeen, Partick, and Glasgow. The work done at Dundee (stone-breaking) is said to have been inferior to that done under ordinary conditions, and the material broken was not of the same value. At Greenock,

on the other hand, the experiment was successful as far as the work and the conduct of the men were concerned, but had to be stopped for want of funds. The most extensive scheme, however, was that of Glasgow, where the depression in the iron and ship-building trades had produced a considerable amount of distress. A register was opened, at which the applicants were carefully examined, and their answers verified by co-operation with the Charity Organisation Society. Of the 2801 registered, 1251 were provided with temporary work. The men were employed in stone-breaking at Ruchill Park, and in trenching and digging at Springburn Park. They worked six days a week for six and a half or seven hours a day, and received 1s. a day besides their breakfast and dinner. Grants of clothing, blankets, and money were also made through the Charity Organisation Society in cases of special distress. The work at Ruchill and Springburn met with very different degrees of success, stone-breaking being found too difficult and skilled a form of work for the class of men employed. The total loss on this work was 74 per cent, while that on the work at Springburn was only 44

per cent. It became clear to the Committee during the progress of the work that a large number of the men employed were those whose "distress, though it might be real enough, was the result of habits which would produce poverty and suffering in any case," and in view of the loss incurred on the works it was decided to change the mode of payment from time work to piece work. A significant illustration of the class of labour employed is afforded by the fact that the result of this change was an abrupt falling off in the number at work. The works were entirely closed on 4th March, the net loss on the experiment amounting to about £1710.

General conclusions.

59. The conclusions which can be drawn from the results of experiments in the provision of work for the unemployed are mainly negative.[1] Their success has not been great, and

[1] The *Labour Gazette* for March 1894 states that during the winter of 1893-94 relief works have been undertaken by seven metropolitan, seventeen provincial, and three Scotch local or municipal authorities. The work offered consisted of road-making, excavating trenches, cleansing, stone-breaking, etc. Particulars received from nine of the Local Authorities show that a total of 6173 individuals were provided with work for a period ranging from one day to several weeks during the winter, the average number employed daily during the time when the work was in full progress being about 1200. No information appears to be available as to the results of the work.

none of the schemes described have proved a permanent cure for the evils of want of employment. It has been conclusively shown that the offer of work, without discrimination, to all applicants is likely to attract large numbers of a class for whom it is unlikely to be of lasting benefit,—a class of whom Mr. Charles Booth has said that "lack of work is not the disease with them, and the mere provision of it is, therefore, useless as a cure." Even where a sifting process was attempted, it would appear that the inquiry was usually merely directed to ascertain fitness for employment on the relief works. It is the view of many who have had great experience in this matter, that if any permanent good is sought the relief works should, on the contrary, be looked on as one out of many means for ascertaining fitness for permanent assistance. If this is the object aimed at, it does not appear that the mere test of work is a complete or satisfactory substitute for inquiry. A further conclusion is thus arrived at. Granting that the provision of work is regarded only as a test of willingness to labour, it is evident that the best shape it can take is that which provides the most effective test for the purpose. According to this criterion, those schemes which provide continuous work for the same men are distinctly the best. Loafers and tramps are not unwilling to work for a few days at a time, and hence schemes which merely provide a few days' work for a large number of men in successive relays are of all such proposals the most likely to be abused. The plan of employing men in two shifts—three days a week each—is recommended on the ground that it gives them a chance to look out for work during the rest of the week, but in spite of this is open to criticism on account of the encouragement it offers to loafers. With regard to the temporary relief works themselves, success or failure appears to be very largely a question of supervision and administration. More careful discipline seems to be required than on ordinary work, but in practice there is often a tendency for the management to be less strict.

The relief scheme of the Mansion House Conference.

60. The Mansion House Conference originated in an informal committee, established during the autumn of 1892, by the residents of Toynbee Hall, to inquire into the alleged

Origin and scope of the scheme.

prevalence of distress owing to scarcity of employment in East London. The result of their inquiries was to show that in certain districts, where considerable numbers of water-side labourers reside, acute distress was being felt among the less efficient class of casual dock-labourers. This was due to the reorganisation of the system of employment at the docks managed by the London and India Docks Joint Committee, which, though tending to increase the regularity of dock labour, has deprived the more inefficient casuals of their chance of employment. This class of displaced labour alone was dealt with by the Committee of Inquiry, which before long became merged in a Mansion House Committee, with the Lord Mayor as chairman. The scheme adopted by the Committee differs, therefore, from those previously described, in that it aims not at attacking the problem of the unemployed generally, but at dealing with a certain limited class of cases where want of employment was due to a well-known and specific cause. The number of men embraced by the scheme was confined to those who had lived one year within a certain defined area,

viz., the Poor Law Unions of Stepney, Poplar, St. George's-in-the-East, and Mile End Old Town. Finally, the scope of the scheme was limited by certain further restrictions—(1) In order to deal primarily with the most acute cases of distress, it was decided to admit as a rule only married men; (2) the plan being to deal strictly with local distress, all applicants whose last address was a shelter or common lodging-house were rejected; (3) the object being not to deal with chronic poverty due to old age, but with cases of able-bodied labourers out of work, no men over sixty-five were admitted. Out of a total of 716 applicants, 372 who were not ruled out by these restrictions were carefully examined, and their statements as far as possible verified. Of these, 96 were either voluntarily withdrawn or rejected by the sifting process. The remainder fell within the scope of the Committee's operations.

Temporary operations.

61. For the purposes of the scheme a fund had been raised by the Lord Mayor, and the London County Council had allowed the use of about forty acres of waste land adjoining the Abbey Mills pumping station at Stratford. The 276 men accepted by the Committee were

offered a fortnight's digging work on this land. The hours were to be eight for the first five days of the week, and five on Saturday, and the pay 6d. an hour—the ordinary rate for unskilled labour in the district. The work was regarded not as an end in itself, but as a temporary and preliminary measure, which had the advantage of testing each man's capacity and willingness to work. The earnings meanwhile provided for his immediate necessities, and to some extent restored his physique, which had in most cases been greatly reduced by underfeeding and distress. Each man was instructed, during his fortnight's work, to review his own position, and if possible to be prepared at the end to make some definite suggestion to the Committee as to the manner in which he could be personally assisted. The relief works at Abbey Mills were open for seven weeks. Of the 276 men to whom work was offered, 23 refused it, and 29 were dismissed for bad conduct or incompetence. The work was accepted and performed, therefore, by only 224. The "case-papers" of these men give a number of interesting particulars respecting their age, birthplace, number of family,

usual earnings, rent, debts, and Friendly or Trade Societies. The extreme scarcity of applicants stated to be born in rural districts of Great Britain suggests the conclusion, that town poverty of the type which leads to demand for relief is on the whole a town product, and is not directly recruited to any large extent by influx from the country. Many of the applicants were greatly in arrear with their rents, and were encumbered with other debts. About half stated that they were or had been members of some Trade Society, but a large number of these had run out of membership, or left through other causes. No fewer than twenty-two societies were included in this list, which points to the well-known fact that dock-labourers are frequently members of other trades.

Permanent results.

62. The mode in which the applicants were finally dealt with varied in the different cases. A large number (129) proved "unhelpable"; some having no other suggestion to make but that more work should be provided for them, while others could only make hopeless suggestions, for example, that they should be set up as hawkers or dealers,—a line of life in which

they had already repeatedly failed. To these men the work provided had, no doubt, been of some temporary benefit, so that even for them the Mansion House scheme did as much as most relief agencies aim at doing at all. The remainder proved more satisfactory. Seven were admitted to the "B" class of labour by the Dock Company on the recommendation of the Committee. Nineteen others obtained work either by their own efforts or with the Committee's assistance. In twenty-three cases the fee for admission or reinstatement to a Trade Society was paid; and a few were assisted with money, clothes, or tools. Sixteen families were emigrated to Canada, and twelve out of fourteen of these, from whom reports have been received, are stated to be in regular work and doing well. Investigation into the subsequent career of the other men who were permanently assisted shows that a considerable number have materially improved their position. A very small proportion appear to have since applied for relief to the Poor Law authorities or the Charity Organisation Society.

Relief works in Ireland, 1880, 1886, and 1891.

63. The distress which led to the establishment of relief works in Ireland was due rather

to a failure of food supply than to any exceptional need of employment. Three times within twelve years the Irish Local Government Board has recognised the necessity for establishing public relief works, or of supporting large numbers of the population in idleness, owing to the failure of the potato crop. In 1880 the Board, aiming at "the relief of unskilled labour deprived for the moment of the means of supporting itself," granted loans to land owners and sanitary authorities for improvement works. These were with but few exceptions used for land improvement by drainage. The peasants were by this means supplied with food until the next potato crop, but the results were not considered satisfactory, and the method was not adopted in the subsequent experiments. In 1886 the means taken was the extension of out-door relief by the guardians, under the Poor Relief (Ireland) Act passed in May. In order to impose a labour test relief works were started in the form of the repair of roads. Commissioners appointed to inquire into the manner in which the Act had been carried out, reported in April 1887, that "the repair of roads is not a test of destitution

or even of poverty. . . . Every man in the district could be got to work on such a test. Moreover, the works were not properly carried out; the gangers were ordinary paupers . . . and the men worked lazily and badly. . . . In many cases the works were left in an unfinished state, and even when completed they seemed . . . not to have been executed in a permanent or satisfactory manner." The experience of 1881 and 1886 had pointed to the conclusion that it was inexpedient to entrust Boards of Guardians with extended powers or public funds for the relief of exceptional distress. The Government, therefore, in 1890, determined itself to undertake the responsibility of organising and carrying out measures for the relief of the people wherever it proved necessary to supplement the Poor Law. Early in 1891 relief works were started in numerous Unions, on the express understanding that they should be confined to those whose distress was caused by the failure of the potato crop, cases of normal poverty being left to the operation of the Poor Law. The employment given consisted in nearly every case of work upon the roads. Wages were paid at the rate

of 1s. 2d. a day to adult male labourers, and a total of £128,498 was expended in this way. The maximum number of men employed at any one time on the 161 works was 15,529. Besides the road-works, the Government attempted in a few cases to further the industrial development of the more backward district by the extension of railway communication.[1]

2. *Historical Examples of Temporary Provision of Work*

National Works in Paris, 1848.[2]

64. The violent and sudden crisis of the Revolution of February 1848 naturally disturbed the course of industry in Paris. A commercial panic ensued, in the course of which large numbers of workpeople were thrown out of work. The prevailing want of employment was, therefore, one of the first questions which

[1] No information is given in the Board of Trade Report with regard to the success, or otherwise, of this experiment. From the Annual Report of the Local Government Board for Ireland 1891, it appears that in this case the works were, except in a few of the very poor districts, a test of destitution (p. 94). The treatment of the Irish relief works in the Board of Trade Report appears to have been an after-thought. It is done in a perfunctory manner, and no information is given as to the source from which it is drawn.

[2] Cp. my *Foreign Reports to the Labour Commission*, vol. vi., France, pp. 94, 140.

[64] the Provisional Government established on 24th February 1848 had to face. On 25th February, on the proposal of Louis Blanc, a decree was passed stating that—"The Provisional Government of the French Republic undertakes to guarantee the existence of the workmen by work. It undertakes to guarantee work for every citizen." The carrying out of this decree by the establishment of national workshops was confided to the Minister of Public Works, M. Marie, on 26th February. Immediate resumption of work on Government buildings, etc. was decreed, and new works were opened in connection with various railways and with the navigation of the Oise. A workman could be admitted to these works on production of a note from the mayor of his ward. All went well on this system till the number of the unemployed reached 6000. At this point, however, all the vacancies were filled, and no more could be employed on the existing works. The workmen had been promised bread when work was not procurable; but instead of distributing relief in kind the mayors were now authorised to pay each of the unemployed 1.50 frs. per day, the rate for

labour on the national works being 2 frs. [64] The numbers claiming work or relief rapidly increased; the whole organisation got beyond control, and the mayor's offices became the centres of tumultuous crowds. Accordingly, M. Emile Thomas was commissioned by M. Marie to reorganise the works on a semi-military plan. The workmen were divided into companies of 900, each company being divided into lieutenancies, brigades, and squads. Each brigade contained fifty-five men and a brigadier, and was divided into five squads. By this time the number of unemployed was estimated at 13,000 or 14,000, without any corresponding expansion of the public works. Owing to the political crisis in the country, private industry was practically at a stand-still. Workshops were closing every day, and the discharged workmen flocked to the national works for employment. By 20th March 12,000 men were actually employed at the works, and the number enrolled was increasing rapidly. The administration of the works was admitted by the director to be on an altogether unnecessary scale. It was divided among three sub-directors, and below these, besides a

large staff of cashiers and clerks, an army of inspectors and agents was employed. In spite of this, however, it is stated that "no serious control was exercised." Towards the middle of April the numbers enrolled again far outran the number for whom work could be provided. A census taken on 19th May shows that the total then enrolled had reached 87,942. The National Assembly had, however, met on 4th May, and the Executive Commission elected soon after determined immediately to reduce and suppress the national works, still "without prejudice to the sacred principle of the guarantee of work." M. Marie was succeeded as Minister of Public Works by M. Trélat, who at once set about the task of reduction. Unmarried workmen between the ages of eighteen and twenty-five were to be invited to enlist in the Republican army, and if they refused, to be at once struck off the brigade rolls of the national works. The names of others were to be drawn up in lists according to arrondissement and occupation. Masters were allowed to requisition such a number of these as they declared necessary for the resumption or continuation of their works,

and those who refused to go were to be struck off the roll. All workmen not included in these regulations were to be paid by the piece instead of by time. An attempt was made to carry these changes into practice on 22nd June, and the result was the bloody insurrection of 23rd June and the following days.[1]

Relief works in Lancashire during the cotton famine, 1863.

65. In the summer of 1861, in consequence of the blockade of the Southern States of America and of the rigid neutrality observed between the belligerents by the English and French Governments, all commerce with the Southern States was ended. The result was to throw the operatives of the cotton manufacturing districts out of work to such an extent that the weekly average of paupers increased within a year 47.6 per cent. A circular issued by the Poor Law Board in November 1861 met with the response that no serious pressure existed at that time, and the guardians were prepared to meet any emergency which might be expected to arise. The increase of distress during 1862

[1] It is stated in the Board of Trade Report that the gigantic schemes carried out under the Second Empire for the rebuilding of parts of Paris served for many years to provide employment for the workmen, but no authority is given for the statement, nor does it appear what became of the men and their families in the meantime.

[65] led eventually, however, to the passing of an Act, bestowing special temporary powers on certain Boards of Guardians to meet the crisis. The Act applied to any Unions situated wholly or partially within the counties of Lancashire, Cheshire, and Derby, and authorised the guardians to borrow money on certain terms to meet the extraordinary demands on the poor rate. At the same time Mr. Farnall was sent by the Poor Law Board as Special Commissioner to report upon the methods adopted of relieving distress, and to take charge of the administration of relief. Local relief committees were formed throughout the distressed districts, and a central organisation was established at Manchester to which these were responsible. Besides these, 105 local committes were administering funds subscribed voluntarily. The maximum number relieved during the whole period of distress was attained during the week ending 6th December 1862, when it reached a total of 508,293. Up to this time there had been hardly any movement in the direction of instituting public works for the employment of the men thrown out of work; though several local committees had admitted the advisability

of such a policy, and one or two had taken [65] steps in the matter. The long period of idleness had naturally had a demoralising effect on the men. On the 29th of April 1863, therefore, Mr. Robert Rawlinson, C.E., received instructions from the Home Office to proceed to the cotton districts to inquire into the situation and into the best means of organising relief works, and to report to the Poor Law Board. His report showed that the difficulties in the way of establishing public works were of two kinds, viz. (1) financial; (2) legal. In order to meet these difficulties a bill was introduced on the 8th of June, by which a sum of £1,200,000 was placed at the disposal of the Public Works Loan Commissioners, which they were to advance to the various Local Authorities in the distressed districts, to enable them to execute works of public utility and sanitary improvement. Owing to the very defective sanitary condition of nearly all the boroughs and towns in the manufacturing district, these works were peculiarly necessary, and Mr. Rawlinson clearly regarded them as an object of greater importance than the provision of work for the indigent factory operatives. The scheme

[65] was reported to be eminently satisfactory. Great improvements were made in the towns, and large numbers were provided with work. Mr. Rawlinson adds that "The measure of the benefits of the Act are but very partially represented by this statement (*i.e.* of the numbers). The public works are popular with those who are employed, and the moral effect of the work in prospect as well as in action has been very valuable in its influences upon the unemployed population. . . . This experiment in Lancashire ought to inculcate a lesson for future use, namely, that unskilled men may soon be taught the use of tools, where practical means are found to furnish employment." He points out that the success of the works depended upon conditions which are not always realised in such undertakings. The men were to a large extent self-selected, the works having been undertaken by volunteers from among the factory operatives, *i.e.* "by men willing and wishful to escape from dependence on either the dole of charity or the taint of pauperism. The work has not been test work, and yet it has proved the most effective form of test." On the other hand, "if Government engineers had been sent

down to set out works on which to find employ- [65]
ment for all the distressed men alike, . . . the incapable, the unwilling, and the idle would have leavened the entire mass." Fortunately for the Lancashire experiment, the works were divided and subdivided so that men could be employed in small gangs. Mr. Rawlinson also lays stress on the fact that the works were devised, executed, and superintended by the Local Authorities. To ensure success, moreover, he lays down that "the work must be necessary and useful, the men must have reasonable treatment and equitable payment, if possible by measurement. All notion of work as a punishment must be removed, and the men must be intelligently and kindly taught." It was stated by the Poor Law authorities that the prevention of pauperism in the district was at least to the extent of three times the number of men employed upon the works; and that they relieved the district of direct imposture to an extent which cannot be calculated. The men employed upon them in some cases preferred to remain in their new trade instead of going back to the mills when they were reopened.

CHAPTER IV

AGENCIES WHICH DEAL ONLY INCIDENTALLY WITH WANT OF EMPLOYMENT

The Poor Law.

66. THE Poor Law differs from the other agencies concerned with the unemployed, in that it deals not with want of employment as such, but with the relief of destitution from whatever cause it may arise. Hence its primary object is not the provision of work, and, though work may be imposed as a test, relief is not given in the shape of the payment of wages, but according to the necessities of the case. The principle on which relief is administered in such cases is that "able-bodied male persons shall only receive relief from the poor rates on the ground of being out of employment, subject to such a test of destitution as is involved in the acceptance of an order for admission to the workhouse, or the performance of a task of work."

The regulations in force in the Metropolis and other great towns are contained in the Out Relief Regulation Order of the Local Government Board. Of these the most important clause, from the point of view of the unemployed, provides that "every able-bodied person, if relieved out of the workhouse, shall be set to work by the guardians, and be kept employed under their direction and superintendence so long as he continues to receive relief." A relaxation is allowed in certain exceptional cases. In other Unions, comprising chiefly agricultural districts and towns with a small population, relief is administered under the General Out-door Relief Prohibitory Order. By this order it is required that every able-bodied male pauper shall be relieved wholly in the workhouse, unless the cases are exceptional. In some of these Unions an Out-door Labour Rest Order has been issued, to provide for cases in which it is, in the opinion of the guardians, necessary to allow out-door relief. The chief condition in such instances is that any person so relieved shall be set to work by the guardians.

Charity Organisation Societies.

67. Under the name of Charity Organisation Societies there are many provincial

[67] agencies, besides the London Society, whose work is by far the most extensive, and whose policy is described in the Board of Trade Report as being typical of the others. This society consists of a federation of district committees; and these branches, though distinct from each other, are guided throughout by certain main principles laid down by the Central Council. In the first place, the locality rather than the class of distress is in the main taken as the unit. The maxim is to "centralise information, localise responsibility," and each branch carries on its own operations independently of the others. In each district an attempt is made to federate existing agencies, and it is sought by co-operation with the Poor Law authorities to effect a division of function, the society undertaking the responsibility of such cases as appear to be capable of a permanent cure, and the others being left to the Poor Law. The society aims at giving relief only in cases where there appears a prospect of permanent good being done, and at treating completely and adequately such as it does relieve. In each instance an elaborate inquiry is made with a view to diagnosing the causes of

distress. It may be said to be the general [67] policy of the society not to relieve ordinary cases of want of employment. It is held that the only "cure" for a man who has lost a job is to find another; to provide him with money or food might, therefore, in a normal state of the labour market, tend to relax the energy with which he seeks for work. As regards helping him to find employment, the society holds that the search for work is usually most effectively carried on by the person most interested in its success. These arguments do not, however, apply in exceptional circumstances. Accordingly the society draws a sharp distinction between "ordinary" and "exceptional" distress, especially as regards want of employment. It must be noted, however, that several provincial societies, especially in Scotland, do provide work, such as wood-chopping, either as a means of giving temporary employment or as a test. The London Society distrusts the provision of work by voluntary agencies, even as a test, on the ground that "tests . . . tend to become a substitute for inquiry and for the individual treatment of cases. . . . Tests are for the Poor Law, which has only to prove

[67] the fact of destitution. Those who would help must go deeper." A few provincial societies attempt to find work for the unemployed, but the work done in this direction in London is very limited. There are, indeed, some Charity Organisation Societies which reject out-of-work cases altogether, while others refuse relief to the "unemployed" man, but offer to support his wife and family if he will go into the workhouse. Even when the society declines to help a man to find employment, however, it may frequently offer some other form of assistance. For the relief of persons in want of employment under exceptional circumstances, the society divides its applicants into three classes—(1) thrifty and careful men; (2) men of different grades of respectability, with a decent home; (3) the idle, loafing class, or those brought low by drink or vice. To the first of these relief is given, but if public works are opened, they are recommended to take such work, not as a test, but as temporary employment. Applicants of the second class may in some circumstances be dealt with in the same manner as the first, or they may be referred to the Poor Law labour yard, or admitted to the workhouse, while the

wife and family are supported by charitable [67] relief outside. The third class is left to the Poor Law. With regard to public relief works, it is advised that they should not be undertaken unless there is clear evidence that the want of employment is so great that some such temporary measures are absolutely necessary. When this is ascertained, the works should be of a local character, and conducted as far as possible on the lines of ordinary business contracts; and men should only be admitted after inquiry or on satisfactory recommendation. Principles are also laid down for the guidance of the branches as to the composition of local committees, the methods of inquiry and decision, and the scale and kinds of relief to be employed in dealing with cases of want of employment of an exceptional character. The payment of club arrears, taking tools and necessaries out of pawn, medical assistance, migration, and in certain picked cases emigration, are recommended as suitable forms of relief under these circumstances.

PART III

NATURE AND CAUSES OF THE PRESENT DISTRESS

CHAPTER I

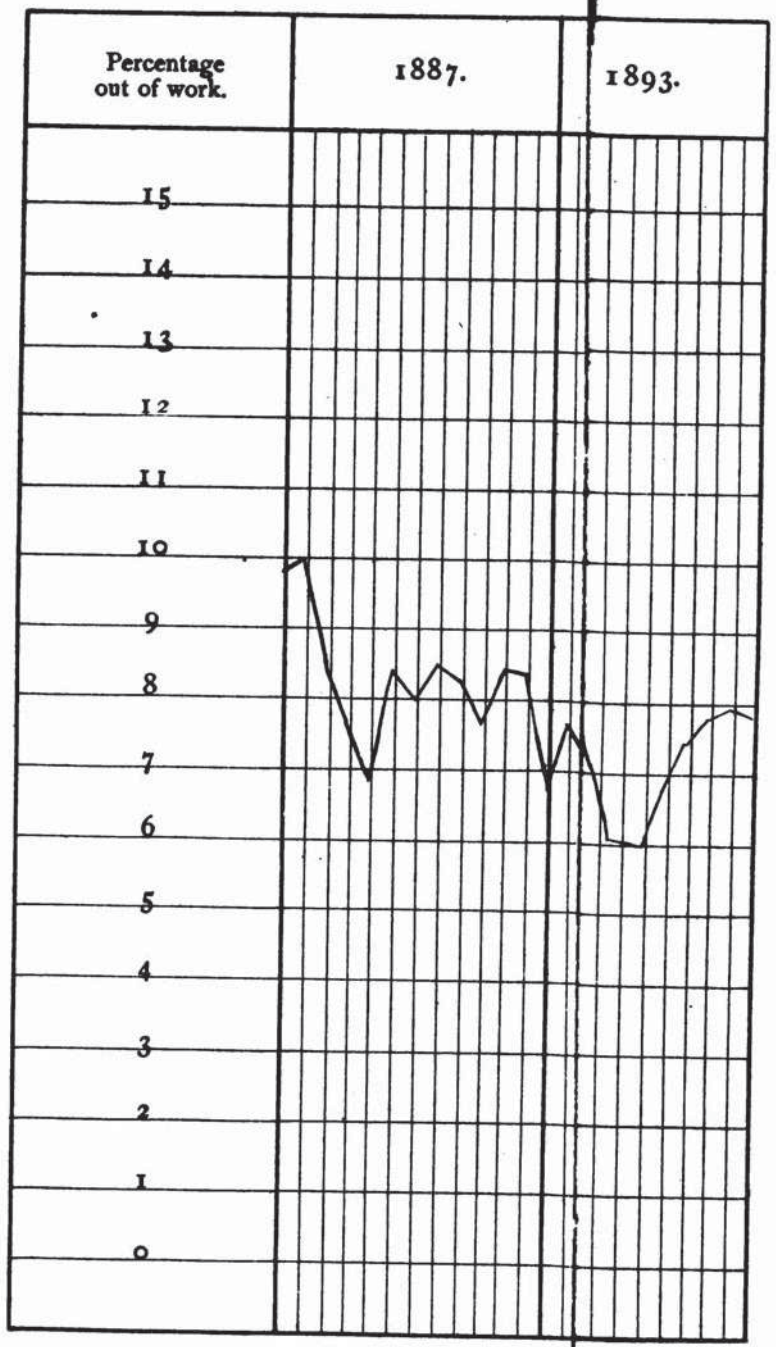
NUMBER OF UNEMPLOYED

Difficulties involved in the statistical inquiry.

68. It will be shown subsequently for what reason it is impossible to form any exact or even approximate estimate of the numbers of the unemployed at any particular time. There are, however, various methods which can be considered briefly in this connection of indicating the fluctuations in the extent of want of employment over a period of several years. The variations from one year to another in the average weekly and yearly earnings, in special trades or in industry as a whole, might be used as an index of the extent of irregularity for those trades, or for the whole of industry respectively. Thus, if it were estimated that the average weekly earnings for each full week's work of persons engaged in any branch of trade were 30s. a week, while the average

yearly earnings of the same group of persons for the same period were (52 × 25s.), it would follow that irregularity existed in that trade during that period to the extent of one day in six. Similar calculations for successive years would afford a measure of the fluctuations of employment from year to year. The same method might be adopted to show the fluctuations from month to month or even from week to week. Apart from the difficulty of obtaining such statistics, they are, however, liable to be vitiated by the fact that the yearly earnings given might include wages earned partly in one trade and partly in another. This objection does not apply to the method of estimating the extent of irregularity by the variation in the number of working days. But the irregularity is in this case liable to be obscured by the practice of working either overtime or short time. To be reliable such statistics must give the exact number of working days in the year, counting time and a half as equivalent to a day and a half, half time as equivalent to half a day, etc. A third method—and the only one practically available with existing data—is that afforded by the out-of-work returns of various

DIAGRAM showing the Fluctuations of Trade,



trade societies. Certain Trade Unions send monthly returns to the Board of Trade, giving the percentage of unemployed members. The societies from which these returns are received are in most cases large ones, and contain within their ranks so considerable a proportion of the whole number of people engaged in the trades they represent, that their reports may fairly be taken as indicating the state of employment throughout them. Although no returns are received from the lesser industries which are dependent on the staple trades, their condition is tolerably reflected by the state of those on which they depend. Hence the returns of the larger societies may be taken as an index of the general condition of the labour market. This, at any rate, is the view taken by the leading Trade Unions themselves.

General review of the extent of want of employment in all industries from 1887 to 1893.

69. The accompanying Diagram, compiled from the figures given by the Trade Unions, shows the fluctuation in the state of employment from 1887 to 1893 inclusive. It will be observed that the percentage of unemployed shown in the Diagram is highest in the beginning and end of the period, while in the middle it falls very low. During the years 1889 and 1890

trade was particularly prosperous. The revival began in 1887, was fairly steady throughout 1888, and reached its culminating point at the end of 1889. During the closing months of 1890, however, it became evident that trade was on the decline, and through 1891 the backward movement continued. It was at first very gradual. During 1892 it progressed more rapidly; and by the beginning of the next year the number of unemployed reached 10 per cent. The state of employment improved during the first five months of 1893, a movement which was somewhat remarkable, as it was coincident with the failure of the Australian banks. The improvement was not, however, maintained, and in July a distinct downward tendency becomes visible. This may be attributed largely to the financial crisis in America, the depression in Australia, and the dispute in the coal trade, which was even then making itself felt in other industries. That this last cause is also to a great extent responsible for the continued decline throughout August and September, is shown by the fact that trades suffered in a greater or less degree according as they were dependent upon the supply of coal. But for

this, it is probable that trade would have shown a slight improvement during the autumn months of the year. In October the state of employment was stationary, except in the districts most affected by the dispute.

Extent and causes of want of employment in particular trades.

70. The general conclusion borne out by Diagram I. is that, apart from seasonal and purely temporary causes, the state of trade is subject to wide fluctuations, extending over a period of several years, and affecting the whole industrial system. A period of general prosperity is followed by a decline, increasing in intensity until a time of severe depression is reached. This is again succeeded by a gradual revival. The general movement is, however, modified by the effect of other factors, which tend partially to obscure it. To take the year 1893 as an example, trade in general has been affected by a variety of causes,—the unusually fine weather, the disputes in the shipping, cotton, and coal trades, and the financial crises in America and Australia. These have caused considerable fluctuations in the state of employment, but the general tendency of the period is continued in spite of these modifications, and, though temporarily obscured, clearly reasserts

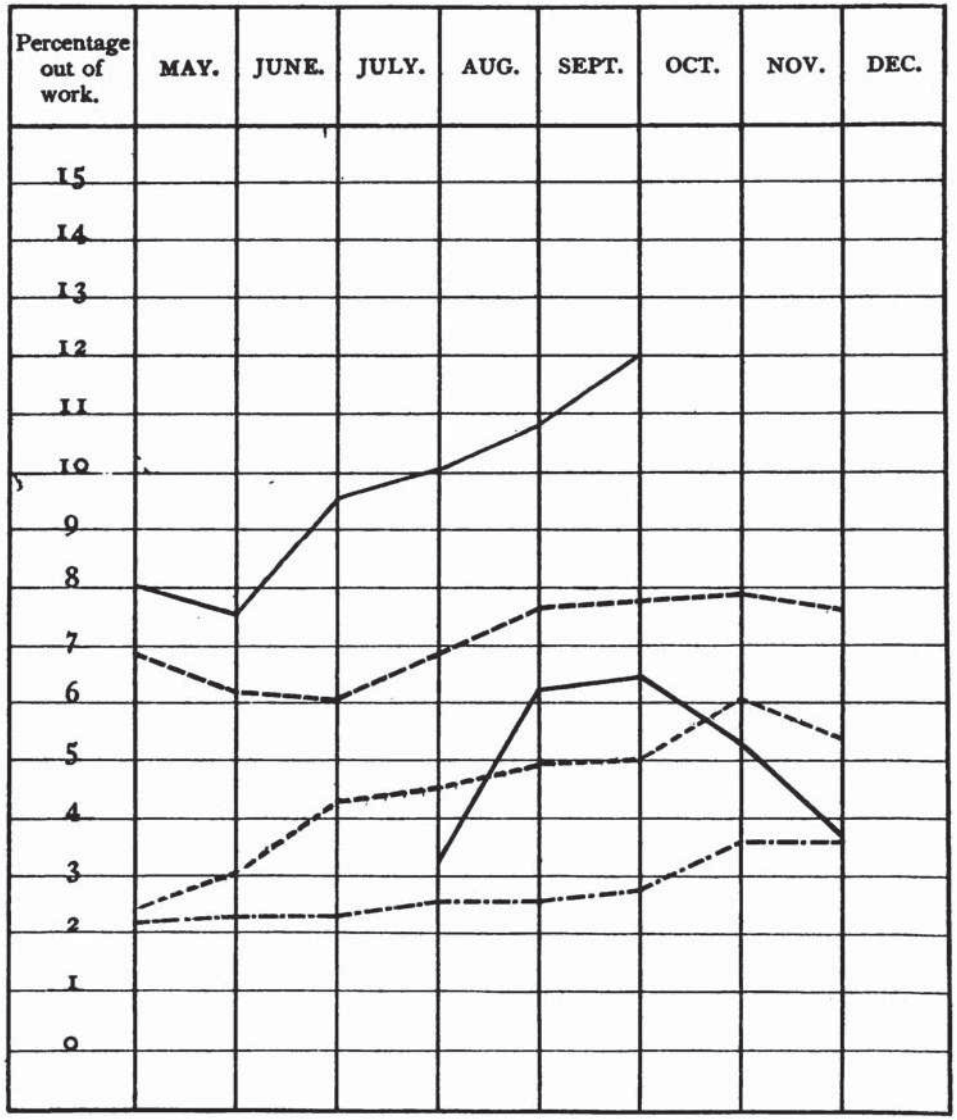
[70] itself towards the end of the year. The description of the movement of commerce as a whole, as a series of fluctuations extending over long periods, modified by fluctuations extending over short periods, applies also to particular trades. The influences producing the minor oscillations vary, however, very considerably, according to the nature of the industry. Some trades are so dependent upon allied industries that they are constantly affected by movements outside their own sphere. In consequence, the tendency to depression or activity pervading commerce in general is liable in these cases to be either counteracted or accentuated by a variety of influences. Others stand in a different position, being comparatively isolated. Where this is the case the normal movement of commerce proceeds unchecked, except by events, such as a trade dispute or other disturbance, arising within the trade itself. For instance, many trades are peculiarly subject to seasonal fluctuations. Seasonal fluctuations may, however, be of various kinds, and operate differently upon different trades. Thus, a considerable number of trades are dependent upon the weather; to

some of these the fine weather prevailing [70] throughout the spring and summer of 1893 has been a source of prosperity; to others, on the contrary, it has proved injurious by checking the demand for certain classes of goods. Other industries practically independent of the weather are similarly affected by periodical events, which exercise on the state of employment an influence which is regularly recurrent. Besides these periodical variations, however, the general tendency of trade may be obscured by fluctuations to which individual trades are liable from special definite events, either internal or external. The removal of an industry from one district to another, and the substitution of machinery for hand labour, tend for the time to deprive members of the trade in which they occur of the chance of employment. The effect of such events may not be permanently hurtful to the state of the trade, and may indeed prove ultimately beneficial, but the immediate result is almost inevitably a local or temporary depression. A prolonged dispute, besides throwing out of work members of the trade in which it occurs, exercises directly or indirectly a widespread influence on other

[70] industries. This is particularly noticeable in the case of the stoppage in the coal trade in 1893, by which all trades dependent on the supply of coal were in a greater or less degree hampered and depressed. The disputes in the shipping trade of Hull and the cotton industry of Lancashire in the earlier months of the year, also exercised considerable influence, in the former case upon allied trades, in the latter chiefly upon local industry. Finally, trades are subject to the influence of purely exceptional events occurring wholly outside the sphere of industry. A notable instance of this is the Lancashire cotton famine of 1861, in which thousands of English operatives were thrown out of work by the war between the Northern and Southern States of America. Such crises are, however, so rare as to be safely disregarded in considering for practical purposes the causes of fluctuations in the state of employment. The accompanying Diagram shows the fluctuations in certain selected industries in which the effects of the causes noticed above can be traced. Owing to the magnitude and complexity of the question of the unemployed in connection with dock labour, it has been thought

II.

DIAGRAM showing Percentage Out of Work in the Engineering and Shipbuilding, Building, Printing, and Furnishing Trades, from May to December 1893.



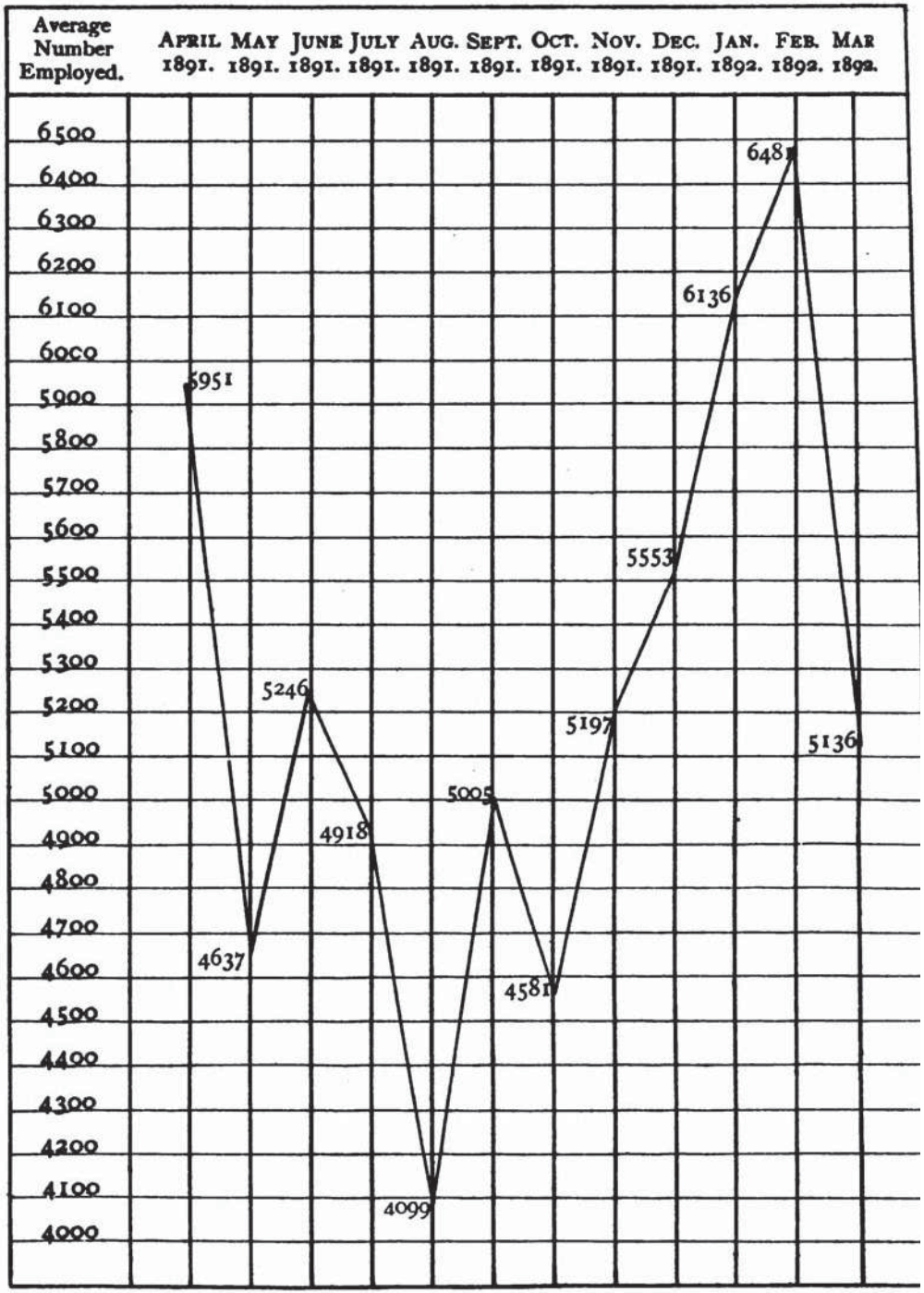
——— Engineering and Shipbuilding.
———. Building Trades.
——— Printing.
- - - - Furnishing Trades.
———— All trades from which Returns have been received (see Diagram I.)

advisable to deal with this industry separately [70] and in greater detail, and it is accordingly treated in the next section. The trades represented in the Diagram are engineering and shipbuilding, and the building, printing, and furnishing trades. The engineering and shipbuilding industries, of which the percentage of unemployed is very high, afford an instance of the effect of trade disputes on want of employment, these having been largely influenced by the Hull strike. The removal of the shipbuilding trade from London to the Tyne and the Clyde has also been the cause of acute depression in the Metropolis. The building trades are the typical instance of industries which are dependent on the weather, and the phenomenally fine spring and summer of 1893 were largely conducive to their prosperity. The state of employment has accordingly been very good, and though a slight rise in the percentage of the unemployed is perceptible during September and October, trade was still much better than is usual at the time of year. The unusual prosperity of the trade during the summer months is evidenced by the fact that in certain districts the demand for labour exceeded

the supply. On the boot and shoe making trade the fine weather had an exactly opposite effect. This industry is not, however, included in the Diagram, because the policy in most Unions is rather in favour of universal short time than of any members being thrown entirely out of employment. The percentage of the unemployed is not in this case, therefore, a just criterion of the state of trade. Throughout the year, however, trade was very slack, and in September especially it was depressed to a point not reached for several years previously. Of industries which, though not seasonal in the sense of being dependent on the weather, vary according to regularly recurrent events, printing may be taken as an example. Newspaper printing is influenced largely by the Parliamentary Sessions and the racing and cricket seasons. The depression experienced during 1893 demands, however, further explanation. In London it was especially acute; and here it is asserted that work hitherto done in the Metropolis is now sent to the provinces, Scotland, or even the Continent, and that in consequence large numbers of London workmen are without employment. The furnishing trades

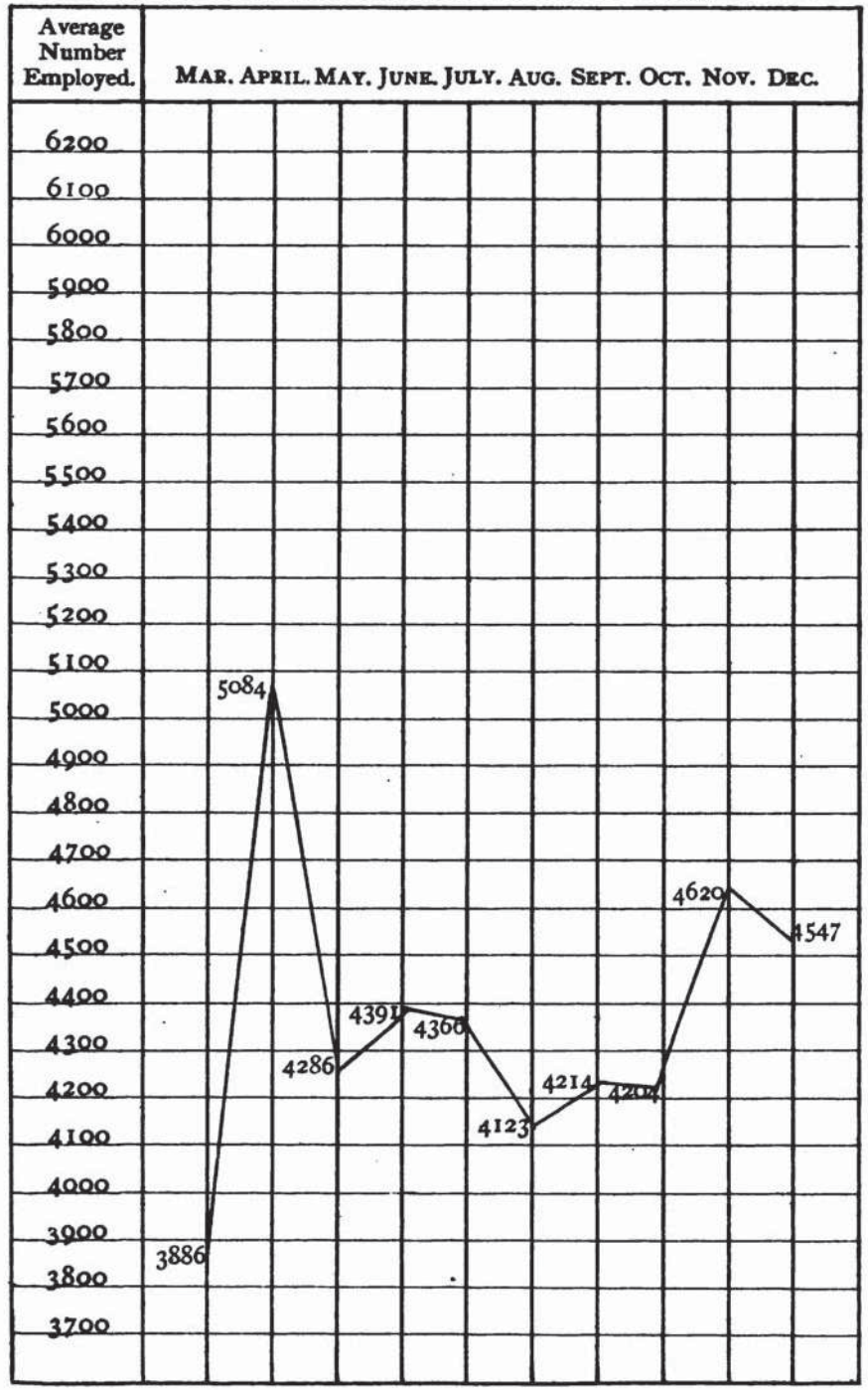
III.

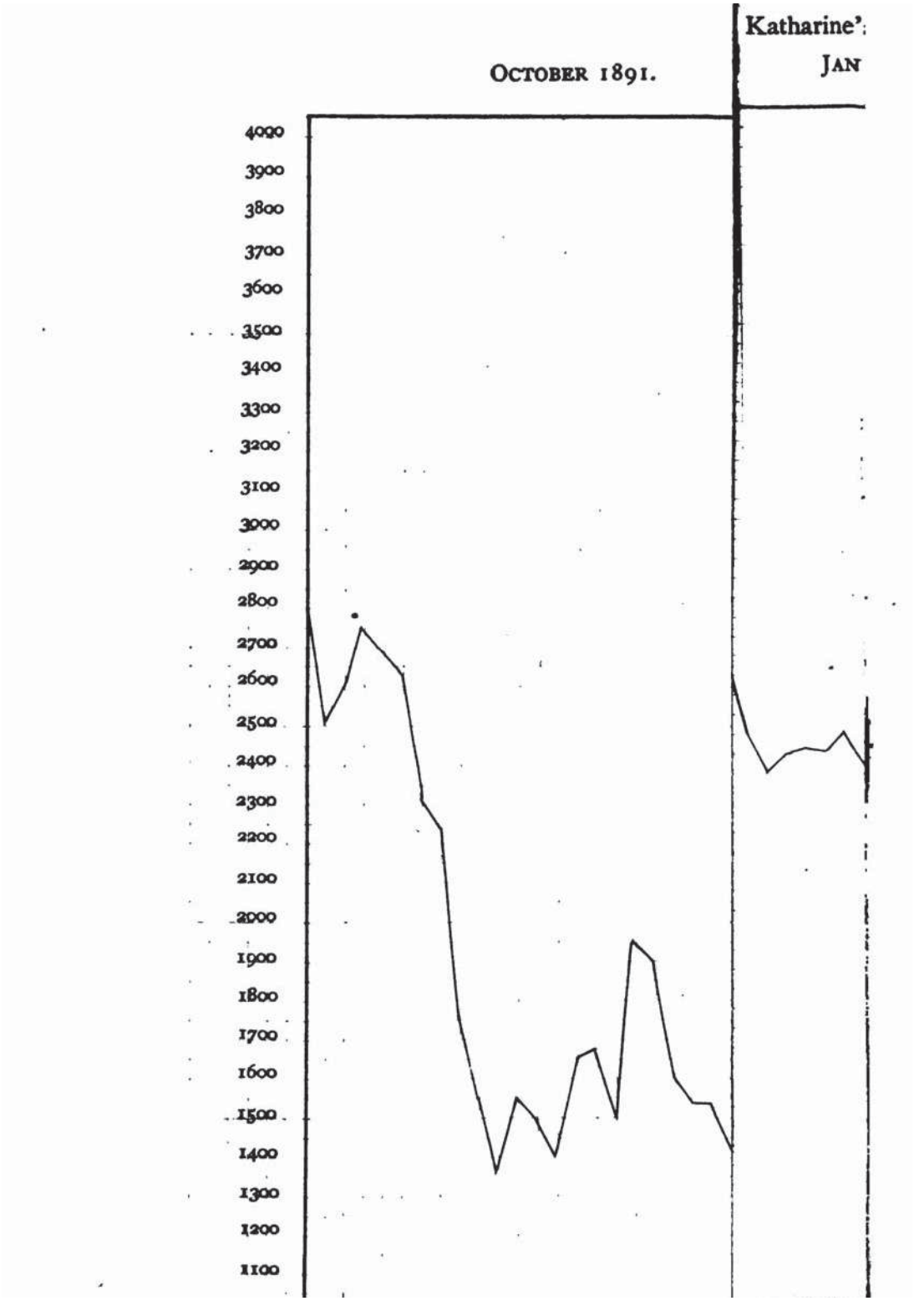
DIAGRAM showing the Monthly Averages employed in the Joint Committee's Docks from April 1891 to March 1892, inclusive.



IV.

DIAGRAM showing the Monthly Averages employed in the Joint Committee's Docks from March to December 1893, inclusive.





pparently owe their somewhat depressed con-ition not so much to causes peculiar to them-elves as to the general slackness of commercial ctivity, and to causes affecting trade as a hole.

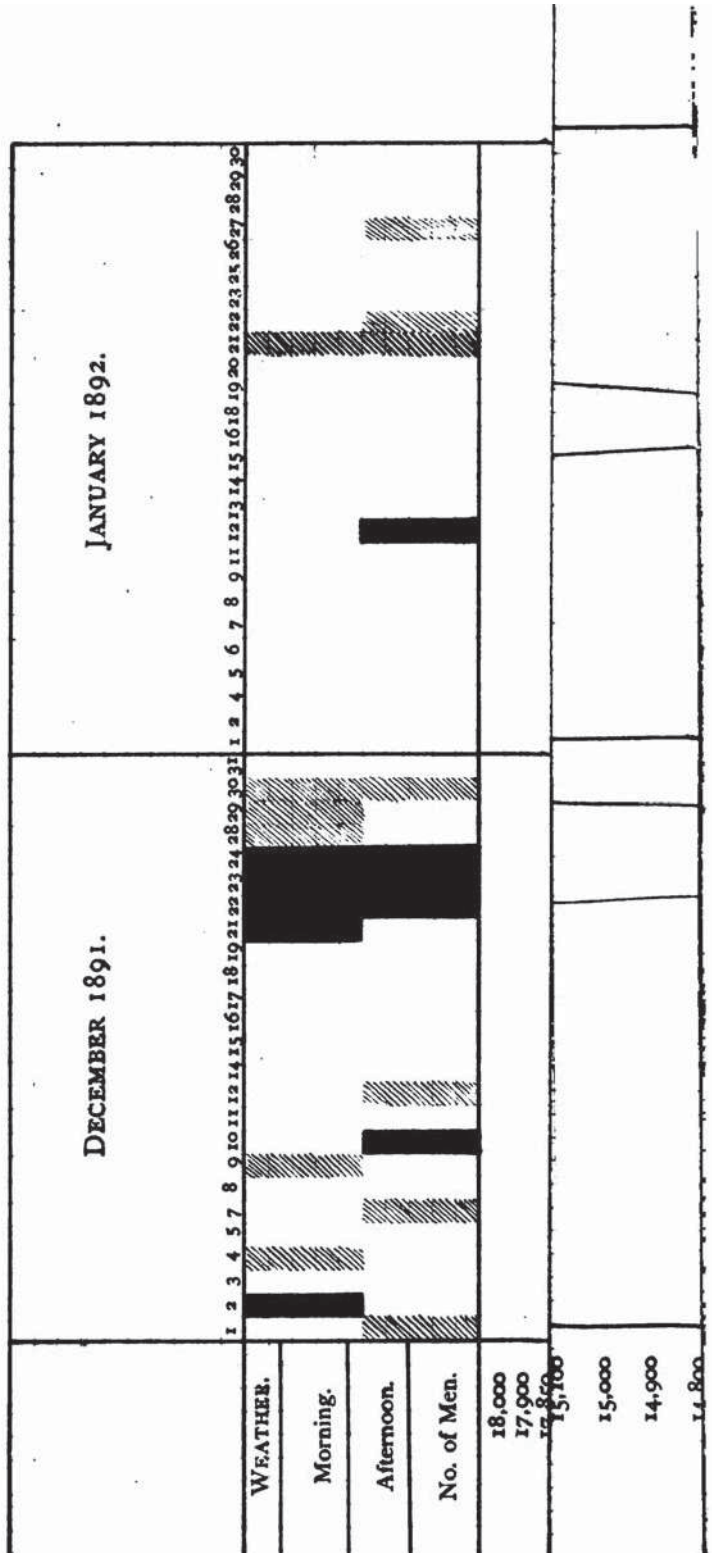
71. Among dock-labourers the problem of irregularity of employment presents itself in an especially acute form. The numbers affected, the violence of the fluctuations, and the apparent permanence and cumulative action of the causes producing them, all render the question of more pressing importance in this trade than in others. To show the fluctuations in the numbers employed, the accompanying Diagrams give the monthly averages in the Joint Committee's Docks during the periods from 1st April 1891 to 31st March 1892, and from 1st April to 30th November 1893. These have been prepared from diagrams drawn up by Mr. Charles Booth for the first period, and by the Board of Trade for the second, showing the daily variations, which are often very acute. The maximum number employed on any one day during the first period was 7750, and during the second period 5592 (on 30th November). Taking the whole of the London Docks the maximum

Special case of want of employment in the Metropolitan Docks.

number on any one day during the year April 1891 to April 1892 was 17,994. The day of maximum employment differed, however, in each division, so that, taking each centre of employment as a distinct labour market, 21,353 men would be required for the work, this number being the sum of the different maxima. On the other hand, the movement of labour which takes place to a certain extent would, it is calculated, reduce the maximum necessary under the present system to about 20,000. The number of men regularly competing for employment, exclusive of those who drift in occasionally from other trades, is estimated at 22,000. "Good work" appears to be available for about 16,000. Of all the influences previously enumerated as making for irregularity of employment, none seems to be without some effect upon this particular class of labour. General depression of trade affects the docker as well as other workmen, but the movement of commerce is peculiarly liable to be obscured in this industry, owing to the number and variety of causes producing secondary fluctuations. Among these the weather holds an important place. Rain hinders business to a greater or

V.

DIAGRAM showing Number of Labourers employed day by day in the Docks and Wharves of London (excluding Tilbury Dock), from 1st December 1891 to 30th January 1892, inclusive.



less extent, especially where, as at the Millwall Docks, the greater part of the labour is carried on in the open air, and dense fog puts an absolute stop to work. The accompanying Diagram illustrates this point with regard to the effect of the fog in December 1891. Sailing ships are less used now than formerly, but at the India Docks, which depend largely upon this class of vessel, the wind is also an important factor in determining the amount of employment. The trade of the docks is, moreover, to a great extent seasonal. Certain classes of goods arrive at definite seasons of the year, and the result is that in each dock which depends upon such goods, periods of full employment alternate more or less regularly with slack times. A conspicuous instance of this is afforded by the St. Katharine Docks, in which the wool sales cause periodic rises in the number of men employed, followed by seasons of depression.

Possibility of lessening trade fluctuations in the docks as a whole.

72. On the whole, employment is best in the winter months, and most scarce in the summer, though in the different docks the busy and slack seasons vary according to the class of goods dealt with. As they do not coincide, the

seasonal fluctuations can be mitigated to a certain extent by the interchange of labour between the various docks. Within a certain range this movement does take place, and the question why it is not more extensive is complicated by a variety of circumstances. The distance of the docks from each other and the diversity of control, lead to an uncertainty of information which frequently causes a man to miscalculate the chances of employment at docks other than that at which he is accustomed to apply. Further, a disinclination among the men to seek work in this manner has been observed, and it appears that some Unions discourage the attempt. In certain docks, moreover, besides these general conditions, specific limitations are imposed by the nature of the work performed. Thus, at the Millwall and Surrey Commercial Docks, where the cargoes consist chiefly of grain and timber, the employment of men habitually working in other docks is hardly practicable. In dealing with these goods special strength and aptitude are required which are not to be found in the ordinary dock-labourer.

Competition in the docks from outside labour.

73. Another fruitful source of the evils of

want of employment among dock-labourers is the openness of the trade to competition from without. Being low down in the scale of industry as regards skill, it offers a refuge to the unemployed in all trades. As has been shown, the number of professional dockers regularly competing among themselves for employment is in excess of the number actually required for the work, and besides these, the docks are liable to be beset by an indefinite number of "casuals" out of work through inefficiency or slackness of trade. To many of these outsiders the very irregularity of the work at the docks is an attraction. Those whose want of employment is due to inefficiency have frequently neither the physical strength to perform nor the moral fibre to desire regular work, and the precarious employment at the docks enables them to prolong a mode of life in which chronic want of employment is a prominent feature. Those, on the other hand, who are out of work owing to slackness in their own trade, can turn to the docks as a means of tiding over the interval before they can resume their normal occupation. Though over the whole of the docks the supply of labour is generally greater than the demand,

there is always the chance that employment may be found at some particular dock where causes peculiar to itself have brought about an increase of work. In the hope of obtaining a share of this work, unemployed outsiders are attracted to the docks, and thus, taking the docks as a whole, the excess of supply over demand is intensified. The irregularity due to the nature of the work itself engenders great irregularity through its effect upon the quality as well as the quantity of the labour available, in consequence of the physical and moral deterioration which follows from casual employment. Apart from the naturally unsteady, whose habits are fostered by the uncertain character of dock labour, those who were originally steady and industrious become, after a long course of casual employment, gradually incapable of performing a full week's work, and are trained in habits of irregularity.

Introduction of the "List System."

74. To reduce to a minimum the evils of the fluctuating character of employment in their docks, the "List System" has been recently introduced by the London and India Docks Joint Committee. A larger number are employed as permanent men, and the remainder

are divided into classes according to their efficiency and steadiness. By this system preference of employment at each department is given in the order of the classes A, B, and C, and less strictly in the order of the names in each class, no casual labour being admitted until the whole of these classes have been absorbed. This arrangement, though not directly attacking the economic difficulties which lie at the base of this problem, deals an important blow at the moral and personal defects which, though to a large extent fostered and developed by those difficulties, tend through reaction to exaggerate these very evils. The total number of labourers who can draw some kind of subsistence from dock labour has, it is true, been much contracted, and distress among the excluded casuals has therefore increased. Those, however, who are included in the classification have a far greater certainty of employment than under the old arrangements, and the physical and moral deterioration of this class is thereby to a corresponding extent prevented. In consequence, that portion of the existing irregularity which is due to this deterioration is to a large extent removed.

According to Mr. Charles Booth, the remedy of the evils presented by dock labour lies in the perfection of the "List System," and this conclusion is largely borne out by Diagrams III. and IV.

CHAPTER II

CLASSIFICATION OF THE UNEMPLOYED

75. ROUGHLY speaking, two main classes of the unemployed can be distinguished—those with whom want of regular employment is merely temporary, and those with whom it is permanent. Of those who are only temporarily out of work a large number are members of season trades. Others may have been thrown out of regular employment by some temporary cause, such as a strike in another trade putting a prohibitive price on the materials required for their labour. In either case, though the exact length of the period during which their usual work will be suspended cannot be determined beforehand, it is certain that when it is over they will by the terms of their discharge fall back naturally into their old places. Though they cannot foresee when it will be realised,

Those temporarily without regular employment: (i) *but with a certain prospect of work within a definite period.*

these men have throughout their slack period a certain prospect of returning to regular work. With this class, therefore, the only difficulty is the tiding over of the time till work can be resumed.

(ii) *And without any certain prospect of work within a definite period.*

76. There are, however, others of the class with whom want of regular employment is merely temporary, who are not only thrown out of work for a period the length of which is indeterminate, but who have no certain prospect of returning to their former employment at the end of it. This may occur, for instance, when a period of general depression sets in, or if machinery in any trade takes the place of labour to any large extent. When men are thrown out of work in such cases the employer can give no guarantee that he will again require their services. Prolonged depression may compel him to reduce the scale of his enterprise, or even to close his works altogether. The substitution of machinery may permanently do away with the necessity for employing so large a quantity of labour. The displaced operatives, therefore, cannot rely upon returning to their old position. With these, as well as the former class, however,

regular employment has been the normal condition, and being for the most part efficient and steady workmen, they will very probably sooner or later find regular work either in their own trade or in some other. They may, on the other hand, so far deteriorate under casual employment as to become unfit for regular work. In this case they are liable to fall into the class of the chronically unemployed.

Those permanently without regular employment: (i) The casual labourer;

77. Of this class, with whom want of regular employment is more or less permanent, two types can be distinguished, though it may be difficult to determine to which a given individual belongs. A large number are engaged in casual labour, such as that of the non-preference men at the docks, and though not altogether unemployed, have from day to day no guarantee of employment. It is this fact which distinguishes them from the members of such industries as coal mining, who, though they may work no larger number of days per week than the casual labourer, work that number regularly. The labour of this class possesses a certain economic value; but it is as a rule unskilled, and, in comparison with the higher grades, inefficient. In consequence

of the conditions of their life, moreover, its value tends to decline, so that eventually the casual labourer is apt to fall into the lower class of the "unemployable." This consists of those who are permanently unemployed because through some physical or moral defect they are economically worthless. Mr. Charles Booth says that "the unemployed are, as a class, a selection of the unfit, and on the whole, those most in want are the most unfit." The statement requires qualification, or some narrower definition of the unemployed than is adopted here, as among those who are temporarily without regular work there may be many who are so in consequence of purely economic conditions with which their comparative fitness had nothing to do. Yet even in this class it is the least capable, or if capable, the least steady, who are *a priori* likely to be the first turned off, while among those whose want of employment is chronic, the truth of the proposition is amply borne out by experience.

(ii) the unemployable.

78. It is possible thus to classify those who are generally known as "the unemployed," but it appears impossible to obtain any accurate measure of their numbers at any particular

Measure of the numbers of unemployed.

time. The test quoted from Mr. Charles Booth in the Board of Trade Report—"the total number of the superfluous is the true measure of the unemployed"—appears when examined to be no test at all. In the first place, no explanation is given as to what is meant by the "superfluous." The supply of labour at any particular time may be in excess of the demand at that time, and this excess may be claimed to be for the moment superfluous. But demand may for some special reason be at a particularly low ebb, and the excess of supply may be called into requisition in so short a period that it can hardly be regarded strictly as superfluous. The term may, therefore, be used loosely in the former sense, but if used as a basis for a "true measure" of the unemployed, it becomes necessary to apply the test of superfluity over a definite period. This necessity is recognised by Mr. Booth when he says that "for many of them (the insufficiently employed) an entire year is the shortest unit of time that will serve to test the shortness of work." Considering exclusively such a period, the superfluous are the excess of the supply of labour over the demand at the

[78] point when demand is greatest. But over a longer period the demand for labour may at some point be greater than the greatest demand in the shorter period; while over an indefinite range the extent of the maximum demand can obviously never be ascertained. The magnitude of the surplus varies, therefore, according to the period taken. To get any exact surplus the period must be arbitrarily chosen, and if arbitrarily chosen, must give an arbitrary result. Such a result is not only useless as a measure of the numbers of the unemployed, but if given without the necessary modifications is positively misleading. In addition to this, the value of the test would be lessened by the fact that it is, from another point of view, practically impossible to estimate the number of the superfluous at any moment. There is no guarantee that employment is being arranged as economically as possible, that is, that the fluctuations in the number employed are not made unnecessarily violent by failure on the part of the employers to grasp the seriousness of irregularity of employment. If they are thus exaggerated, the employment of all the available men at the point when trade is most brisk

might conceal the existence of a surplus which [78] would be exposed if the work were more regularly allotted and a smaller number of men were then found to suffice. Besides this, the existence of a surplus may be disguised by the employment of casual labour, or the practice adopted in some trades of working short time instead of throwing any men wholly out of work. As Mr. Booth says, "we have to deal with a body of men of whom some are superfluous, though each may be doing a share of the work." The fact, however, that the work is thus distributed, tends to obscure the fact that any real surplus exists. Even if any meaning that is not arbitrary, therefore, could be attached to the phrase "the superfluous," it is practically impossible to estimate its extent in numbers. If this could be done, moreover, the test is not a satisfactory one from the point of view of the individual. Granting that the real "unemployed" are the economically superfluous, that is, the excess of supply over demand when demand is greatest, it is none the less true that those who are temporarily out of work through slackness of trade, and especially those who have no guarantee of re-em-

ployment, are for practical purposes equally unemployed for the time being. The test offered leaves these wholly out of account, yet they form a very serious aspect of the problem.

CHAPTER III

CAUSES OF THE PROBLEM

Temporary superfluity of labour owing to causes independent of the workmen.

79. THE classification of the unemployed I have adopted above gives some clue to the causes to which want of employment is due. The fact of men habituated to regular work being thrown temporarily out of employment betrays the existence at such periods of a temporary superfluity of labour. This may be local or confined to one industry; it may, on the other hand, be universal and general. As a rule, its source may be found in causes wholly independent of the workmen involved, and over which they have no control. The case of a builder during a frost, or of a printer whose trade is passing through its periodical slack season, supplies an instance of a common cause of want of employment — the effect of the weather, or of regularly recurrent events which

exercise a similar influence. Neither of these can be forestalled or controlled by the workmen themselves. The effect of changes of fashion also may be intense. As the exact nature of the change cannot be foreseen, orders are liable to be withheld to the last moment, and hence sudden and violent fluctuations in demand are brought about. The irregularity due to these cannot be mitigated to any large extent by anticipating demand, and thus spreading the work over longer periods; for the mere fact that a change is liable to occur renders it impossible to manufacture for stock. The effect of fashion, moreover, is not confined to the trades in which these changes occur. The shortness of the season of one fashion causes abnormally high wages to be paid while demand is at its height. The prospect of sharing in this high pay attracts labour temporarily from other industries, and thus leads to fluctuations in the supply of labour corresponding to the fluctuations in demand in fashion trades. Irregularity is thus encouraged in both. The introduction of new processes of production, again—such as the substitution of machinery for hand labour—will for a time put the latter

at a discount; but this is an evil which remedies itself, and may even in the end prove an advantage by the extension of production it allows. No such argument can be brought forward in support of rapid and capricious changes of fashion, and these might be to a large extent prevented. With regard to trade as a whole, a temporary depression will have the effect of lessening the demand for labour, and thus throwing labourers out of work. This may, as has been previously pointed out, depend upon causes so remote as the failure of banks in the Antipodes. It may, again, be due to a failure of commercial confidence at home, following on excessive speculation on the part of employers.

Temporary superfluity of labour owing to causes dependent wholly or partially on the workmen.

80. In all these cases a temporary superfluity of labour, whether general or special, is brought about by means wholly outside the workmen's control. This is not, however, by any means invariably the case. A temporary depression of trade may be due to a feeling of insecurity on the part of employers engendered by a fear of disputes with their workpeople. In so far as this leads to the emigration of British capital, which is said to be already taking place to some extent, the demand for labour would tend to

fall off, and labourers would be thrown out of work. Without, therefore, taking other circumstances into consideration, want of employment may to this extent be said to be produced by the action of the workmen themselves.

Permanent superfluity of labour owing to causes dependent wholly or partially on the workmen.

81. The second class of the unemployed—those with whom want of regular employment is chronic—points to the fact that a more or less permanent superfluity of labour exists in the districts and industries in which this class is chiefly found. This is equivalent to saying that it exists almost exclusively among labourers possessed only of a low grade of skill; or when this is not the case, of skill of a kind for which there is no existing demand, in consequence of the introduction of modern improvements. This permanent superfluity of labour may be attributed far more largely than that which is merely temporary to causes wholly or partially dependent on the workmen themselves, though it is no doubt fostered and increased by, and in some cases may have originated from, influences independent of them. Even the action of Trade Unions in forcing up wages, though it tends to remedy the effects of want of employment among superior workmen by enabling

them to earn enough to tide over slack periods, tends at the same time to intensify the problem in the lower grades. For employers working for their own interests and not from philanthropic motives, and finding themselves forced to pay increased rates, are compelled to engage only the most efficient workmen. The inferior are thus thrown out of work, to become part of a body of more or less permanently superfluous labour. A voluntary raising of the wages of unskilled labour on the part of an employer above the level which its value would command in the market may, of course, indirectly have a similar effect. For, except in so far as workmen show a preference for skilled work for its own sake, they are likely to be tempted to leave their skilled work, involving a severer mental strain, to compete with unskilled labour for the comparatively high pay offered. Even if skilled work is not forsaken for unskilled, there is generally a temporary superfluity of skilled labour in the market ready, if no opening offers in its own special department of industry, to turn to anything which promises good wages. Under the present organisation of industry in the hands of private persons, the

[81] employer engages that workman who is the most efficient in proportion to his cost, and probably no work is so unskilled but that it would be carried out more satisfactorily by a skilled than by an unskilled workman, if the former were desirous of obtaining the work. Attempts of this kind, therefore, on the part of the employed do not stand alone in producing the result that, while securing better wages for good workmen, they intensify the struggle for existence in the lower grades. But the influence which workmen through their Unions may exert in intensifying the problem of want of employment may be seen in directions other than that of increased wages. Thus, when a Union is strong enough to interfere with the action of employers with regard to overtime, the fixing of a minimum wage, the employment of non-unionists, and similar matters, the ultimate result of such action might be that employers would withdraw their capital from the industry in question, or possibly remove trade to a locality where they could escape from what they regard as unjustifiable interference. It may be that they were partly unable to satisfy the demands of the unionists in con-

sequence of peculiar difficulties surrounding the [81] industry in the locality in which it was established. In such a case its removal to another district may enable it to be more economically carried on; and if so, it is an advantage from the point of view of industry as a whole. But even granting that the country at large has gained by the transfer, labour in the district from which a trade has departed finds itself without employment; and part of it is likely to form the beginning of a permanent surplus. A section of the displaced men may follow the shifting industry to its fresh field, but experience shows that this does not usually occur to any large extent. The majority will probably remain, and while some may adapt themselves to other skilled trades in the district, a large number will enter into competition with unskilled labour. Those whom they displace will add to a surplus which tends more and more to consist of those who are from any cause below the average of efficiency. This brings us to another important reason of the continuance of the superfluity—the low physical and moral condition of the chronically unemployed. In some cases old age, or some physical defect,

renders them not worth employing. More often, however, it is faults of character—habits of intemperance, idleness, or dishonesty—which constitute their inferiority. In the opinion of many persons of experience in the East End, "the public-house" lies at the root of the problem of want of employment in that district. But even if physically and morally up to the mark, the existence of so large a number of persons, among whom there is almost universal want of specialised skill and training, would ensure some of them forming a permanent surplus. For the amount of work of a kind which could be done by anybody, without any previous training, is very limited, and is gradually becoming less. Unless, therefore, the class which tends to be chronically without work acquires the skill necessary for some definite trade, the superfluity must, as time goes on, rather increase than diminish.

Permanent superfluity of labour owing to causes independent of the workmen.

82. So far the causes which produce a permanent surplus have been partly in the hands of the labourers who form this surplus. There are, however, others which are in the main independent of them. One commonly assigned is the influx to London and other large

towns from the country and abroad. The rural labourer, with perhaps no more skill than the town workman, or with skill of a sort useless in city life, reaps an advantage by his superiority in the matter of health in work where physical strength is of the first importance. The claim of the foreign immigrant, on the other hand, to preference for employment is not as a rule that he does the work better, but that he does it more cheaply. In either case the town workman who finds himself displaced adds another unit to the growing surplus. This, again, is encouraged by the carrying on of work under obsolete methods, such as are found in the "sweating system." As Mr. Charles Booth says, ". . . while a trade leaves, the people stay and form the unemployed or partially employed class, who . . . provide the mass of cheap labour and the facilities for irregular work in which small masters and small middlemen find their opportunity. The small workshop and home work thus obtain a better chance, and a very vicious equilibrium is reached which the attractiveness of London . . . helps to maintain." The system of small masters, by which this irregu-

larity is encouraged, is in itself partly a consequence of the moral causes which in the first place lead to irregularity. For it is frequently the smart but unsteady workman who, discharged from his employment, becomes a small employer on his own account.

Imperfect organisation of industry apart from any superfluity.

83. Apart, however, from any superfluity of labour, temporary or permanent, want of employment may be traced to a third cause—defective organisation of industry. It may be, for instance, that there are employers wanting workmen, and workmen who would be willing and able to do the work they offer, but that being ignorant of each other's existence their mutual needs remain unsatisfied. There can be no doubt that this anomaly exists, but it must be noted that irregularity of employment, where there is no superfluity of labour, is not wholly traceable to such disorganisation. One of the chief causes of irregularity, both in skilled and unskilled industries, lies in the voluntary shifting of workmen from one firm or district to another. The change is in itself attractive, and movement savours of freedom. The workmen, moreover, often find not only that it pays better to move from shop to shop

in accordance with the demand for their labour, but that sometimes, in consequence of the different methods of work adopted by different employers, such changes are absolutely essential to efficiency. This voluntary shifting is an important cause of irregularity, and hence of want of employment. But the evil effects of such irregularity would be to a large extent counteracted if it could be made easier for employers wanting workmen and workmen wanting employers to find one another. It is this which labour bureaux and registries seek to establish. Those who advocate such agencies aim not at a reorganisation of industry, but only at supplementing the present system by remedying its defects. Others assert, however, that the present organisation of industry under private employers competing for profit is mainly responsible for the existence of unemployed labour, and that only the substitution of common for sectional control can solve the problem. Thus it is maintained that, although under the present complicated system of production and exchange periodical depressions cannot be wholly avoided, yet the burden of this depression might be borne by the community as a

whole, in which case its pressure would both be felt less and be less evil in its physical and moral results. Under the present industrial system the burden falls unequally on different sections of the community. While one trade is passing through a period of slackness, another may be enjoying unusual prosperity, and no attempt is made to draft the surplus labour from the one to the other. Or similarly, it might be that some men were working excessive hours, while others were either without employment or working short time. Were the whole industrial system reorganised on a basis of common control, much, it is contended, might be done in the way of dovetailing industries to render employment more uniform and regular. Apart from this, strikes and commercial crises—two fruitful sources of want of employment—are said to result from the system of blind competition among individual employers. These evils, which collectivists regard as manifestations of the inability of the wage-earning and capitalist classes respectively "to handle the vast machinery of modern production to the advantage of the community," would, it is urged, be removed by the establishment of a system of common control.

In any case, even collectivists recognise that this reorganisation cannot take place for a long period to come, and that collectivism does not offer therefore any immediate solution of the problem.

Cumulative nature of the causes leading to want of employment.

84. Mr. Booth remarks in his work on *Labour and Life of the People in London*, that "the modern system of industry will not work without some unemployed margin, some reserve of labour, but the margin in London to-day seems to be exaggerated in every department, and enormously so in the lowest class of labour." Granting that economic conditions lie at the root of the problem of the unemployed in its early stages, these do not wholly account for the magnitude and complexity of its later developments. The explanation lies, it appears, in the cumulative action of the causes which produce want of employment in the first instance. The irregularity immediately resulting from fluctuations in demand, the seasons, and the other causes noticed above, is a sufficiently serious evil in itself, but other results, as serious, if not more so, follow in its track. Casual employment is found almost invariably to involve deterioration in both the physique and character of those engaged in it. Their

[84] physical strength is reduced by the alternation of longer or shorter periods of work with intervals of slackness and consequent privation. That these intervals are not anticipated and provided for is not surprising, for "it takes a very high order of intellect to be self-supporting on an intermittent income." The hopeless hand-to-mouth kind of existence into which they thus tend to drift is of all things least conducive to thrift; self-reliance is weakened, and habits of idleness, unsteadiness, and intemperance formed. It has been said that in many trades the prevalence of drunkenness is in direct proportion to the extent of the irregularity of employment. The effects of such casual work are even more marked in the next generation. Apart from inherited tendencies, the children of this class grow up without any training, technical or moral, such as would fit them to enter a trade, or, if they entered it, to remain in it. They are forced to join the ranks of unskilled and casual labour, and thus, under the same influences which beset their parents, they not only become incapable of regular work, but cease to desire it, preferring to pick up a precarious living by means of odd jobs

and charity. Ample opportunity for the grati- [84]
fication of this preference is afforded, moreover, by the mistaken idea of some employers that a large unemployed margin conduces to their interest, and by the fact that this class is largely subsidised from outside. As Miss Dendy has pointed out in an article in the *Economic Journal* on "The Industrial Residuum," "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. . . . 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 on which they can draw at any moment." And, consequently, the residuum themselves have no need to "strengthen their hold on industry," for they also know that this capricious demand will afford them as much employment as with their habits they are inclined to desire. In this way irregularity of employment reproduces and perpetuates itself, producing through the medium of the characters of those affected increased scope for the employment of casual labour, and

[84] thereby an accentuation of the evils it involves. "The present system suits the character of the men. They suit it and it suits them, and it is impossible to say where this vicious circle begins." It is obvious that to effect any adequate and permanent solution of the problem of the unemployed, an investigation must be made into the fundamental causes which underlie it. In so far as these can be removed the resultant evils will disappear of themselves. Any plan which, dealing alone with the existing unemployed, attempts only to remedy results must necessarily be superficial and temporary. But though, for example, the mere removal of the existing unemployed into labour colonies is no guarantee that the evil will not recur, it by no means follows that nothing is achieved. Through reaction the results themselves tend to act as reproductive causes. Hence, as their removal at once prevents contamination, decreases the opportunity of employing casual labour, and thus increases the need of forethought among employers, it does, by arresting reaction, to some extent simplify the problem. Though such a method does not attempt any radical and permanent cure it leaves the way clear for those which do.

PART IV

WHAT CAN BE DONE IN THE FUTURE TO SOLVE THE PROBLEM OF THE UNEMPLOYED.

CHAPTER I

SOLUTIONS ADOPTED OR SUGGESTED BY DIFFERENT AGENCIES IN CONNECTION WITH THE PROBLEM.

Classification of remedies.

85. It appears from this review of the causes of want of employment, that the question of how the evil is to be remedied is, from one point of view, a threefold one. The assistance of the temporarily unemployed; the disposal of the permanent surplus, and the prevention of its increase; and, finally, the improvement of the industrial organisation so as to prevent the existence of a surplus that is not real, are three distinct problems, to meet which different remedies have been adopted or suggested. It is true that the promoters of the various schemes which have been brought forward as partial or complete solutions, do not always specifically recognise that they are dealing with

either a temporary superfluity, a permanent superfluity, or with an imperfectly organised industrial system. By not appreciating this radical distinction—based, as we have seen, on a difference between the causes at the root of the problem—they frequently fail to see how manifold are the causes themselves, and that the solution offered is therefore only partial. Thus, some who attempt to deal with this question apparently assume that one cause, such as periodical fluctuations in demand, or the unequal distribution of labour, accounts for the whole of the evil, and that in suggesting a remedy for this they are offering a solution of the whole question. The fact that the solution is partial only is, indeed, in some cases, recognised, but not in the more ambitious schemes which have been brought forward recently. Nevertheless, whether ostensibly or not, it appears that most remedies do in practice afford a possible solution only to one or other of these problems, and thus, within certain limits, a classification of them may be based on the division indicated. There is, however, another distinction which can with advantage be taken into consideration in

classifying the existing or proposed remedies for want of employment, namely, that between remedies imposed by the State or the local governing bodies, and those which are voluntary in their origin. These groups of remedies may be broadly distinguished as socialistic and non-socialistic. Those agencies which come under the latter head may be again grouped according as they originate from private individuals actuated by philanthropic motives, or from among the working men themselves, the motive force being self-interest.

Remedies which attempt to deal with a temporary superfluity of labour. (a) Socialistic remedies.

86. Reviewing briefly in accordance with this twofold classification those remedies which attempt to deal with a temporary superfluity of labour, the chief instance of socialistic remedies is found in the case of relief works started by Local Authorities. The advocates of relief works generally assert that, at the time at which they are demanded, the distress owing to want of employment is exceptional, and they are thus clearly regarded as expedients for employing those whom seasonal and other causes render temporarily superfluous. The experience recorded in the Board of Trade Report tends, however, to show that use is

made of them by the permanent, even more than by the temporary superfluity, and that they may tend to foster the belief that it is the duty of the State to find work for the unemployed. In view of the disastrous results which ensue when this idea of the "right" to have work found is carried without discrimination to its logical conclusion, it appears that relief works can only become a satisfactory remedy even for want of employment due to exceptional causes when certain conditions are observed. Selection must be made among the applicants for work, the work must be in itself needed, and care must be taken to dissipate any idea that the State holds it to be a duty to provide work for all its citizens. The account already given from the Board of Trade Report of the Paris National Works of 1848 shows how otherwise the cure may be worse than the disease; while the action of the Government in starting relief works during the Lancashire cotton famine shows how an experiment of this kind could be highly successful.

(b) Non-socialistic remedies.

87. Of those remedies which attempt to deal with a temporary superfluity of labour, the most important of the so-called non-socialistic

agencies are Trade Unions. Their sphere of action is, however, confined to their own members, and is concerned mainly with the removal of the superfluity by the adjustment of supply to demand, and thus by an improvement in the organisation of the labour market. In so far as their action attempts to deal with the first of the three problems, their policy may be grouped under two main heads. They endeavour to prevent the "stock" of temporarily unemployed labour from becoming permanent by the payment of out-of-work benefit. By the restriction of overtime, regulations with regard to piece-work and the number of apprentices, they aim at bringing about a greater regularity in trade; and, by spreading the work over long periods, at providing that none of their members are without a share of work. While this policy might tend to the maintenance of a permanent surplus of partially employed labour, in so far as it increases the regularity of the work, it tends at any rate to diminish the stock of the temporarily unemployed. Moreover, by making the work more constant, it causes "the demand to some extent to adjust itself to production," and

prevents too many additional hands being drawn into industries in periods of exceptional activity. To a certain extent the work of Trade Unions with regard to the unemployed, in so far as this work is directed towards the provision of relief to members out of work, is performed by some of the larger Friendly Societies. Reasons similar to the above are brought forward in support of the socialistic remedy of the legal limitation of the hours of labour. This is claimed by its advocates to be a remedy for the existence not only of a temporary, but of a permanent surplus.

(c) Other remedies.

88. Two other remedies must be noted in passing—remedies which cannot be classed either as socialistic or non-socialistic. It has been already observed that temporary want of employment may be due to the prevalence of industrial disputes, or to failure to forecast the fluctuations in demand owing to want of information concerning the state of trade. In view of the irregularity engendered by trade conflicts, anything which tends either to prevent or bring about a speedy settlement of such disputes will at the same time help to lessen temporary want of employment. It has

also been suggested, in view of the second of these causes, that Government departments and other public authorities should be given the necessary power and machinery for collecting and publishing trade statistics to a greater extent than is possible at the present time.

Socialistic remedies which attempt to deal with a permanent superfluity of labour.

89. Socialistic remedies for dealing with a permanent superfluity have chiefly been adopted abroad, but in this country—with the exception of the Poor Law, which should perhaps be termed socialistic in the broad sense—they are still for the most part in the region of theoretical discussion. It appears to be very generally held among a certain section that the cause of the existence of a permanent surplus is to be found in the present system of private property in land. This, it is claimed, "has been set down by every writer on economics, from Adam Smith downward," as the "basic cause of human poverty and social destitution," and Mr. Keir Hardie asserts that "if the land of England were properly cultivated it would provide food for four times the present population." In consequence, it is maintained, of this system, land is going out of cultivation, the labourer is "divorced from the soil," and seeking employ-

ment in the towns, throws the urban workman more or less permanently out of employment.

Labour colonies and farms.

90. To remedy this evil, schemes for "getting the people back on to the land" by legislation or otherwise are being brought forward, and partly with this end in view labour colonies and farms are frequently advocated. But these remedies, as before stated, are in the region of discussion only in this country. A few such institutions have been established here by private bodies or by individuals, but no steps have been taken in this direction by the State or the Municipalities. On the Continent, however, labour colonies have been founded in Germany, Holland, Belgium, France, and Switzerland, and in nearly every case they are under public control. It has been already pointed out that these colonies are of two kinds—the Free and the Penal Colony. The German colonies, the French colony recently established at La Chamelle, and the Dutch colonies, may be taken as illustrating three types of the Free Colony system. The first two deal only with able-bodied single men, and offer them only a temporary refuge and reformatory; the last recognise the family, provide a permanent settlement, and educate the

children. In the French colony only are the colonists picked men. Of the Penal Colony system, instances may be found in the Beggar Colonies of Holland and the three settlements in Belgium. In one only of these voluntary entrants are allowed. In view of the fact that labour colonies form the remedy which is most frequently suggested for the removal of the permanent superfluity of labour, it may be noted that this problem may be attacked either by removing the existing stock of permanently unemployed, or by attempting to raise some members of this permanent surplus into the class of those capable at any rate of temporary employment. Only those colonies to which the "unemployable" are removable by compulsion, and in which they are compelled to stay for a considerable period, can be said to get rid of the existing stock of permanently unemployed to any appreciable extent. The attempt to elevate the class of unemployable into the class capable of employment may be made on the lines indicated by these Penal Colonies, or on the lines of the Free Colonies in Germany, France, and Holland, in which both entrance and exit are voluntary. In those Penal Colonies

to which free colonists are allowed admittance, it has been found in practice that their number is insignificant, and that the majority of the colonists have been committed by the police for vagrancy, begging, or other offences. Colonies of this kind practically, therefore, belong to the same class as the ordinary penal colonies, and the distinction to be made is between those colonies entrance to which is compulsory and those in which it is voluntary. In estimating the value of these colonies as a remedy for this problem, the cost to the State may for the time being be left out of account, for within certain limits this might be regarded as a secondary consideration if the colonies were able to accomplish their object. The fact that the German and the Penal Colonies have largely diminished vagrancy and begging might point indirectly to an improvement in the class of permanently unemployed, but for the fact that it is stated that these colonists are very rarely reclaimed. Moreover, it is said to be increasingly difficult for an ex-colonist to find work on his discharge, and this fact militates against the possibility of the colonist rising into the class of temporarily employed workers.

The Dutch system avowedly regards the adult colonist as a hopeless case, and devotes itself to the education of the children, who, in later life, are drafted off into situations. It is not clear whether the younger generation brought up in labour colonies become satisfactory workmen, and without information on this point it is impossible to judge of their success. It must, however, be borne in mind that in the case of all these colonies an advantage is gained from the fact that the removal of a section of the permanent surplus, in so far as this section owed its position to moral defects, has a beneficial effect on those who are from moral weakness on the margin between the class of the unemployed and that of the unemployable.

State or Municipal workshops.

91. Similar arguments apply to the suggestions brought forward in favour of Municipal or State workshops for the unemployed. In a letter to the *Times* on October 31st 1893, Mr. Loch examines this proposal in detail, and shows that it must ultimately lead either to the establishment of industrial workhouses, or to a reorganisation of industry on a socialistic basis. "If industrial work," he stated, "is to be undertaken by the State or Local Authority, it

[91] will, under these new conditions as under the old, either interfere with the labour market or it will not. If it is not to interfere, it must be simple in kind, and suitable for those who are unskilled, and it must be produced only in small quantities. But if it has to be produced on these terms, the transaction is no longer industrial in any true sense—the Municipal workshop is no longer a workshop. It is a receptacle for the workless. It has to produce, but not to produce too much—to produce, not what people want, the fruit of skilled labour, but what people want comparatively little, the fruit of unskilled labour. Thus, if it is not to become a workshop of idleness, it must become a test shop or test house. And in face of the mischief and grievances caused by the industrial workhouse, and the injurious methods of relief that grew up in consequence of the inability to provide employment, test work and the test workhouse became one feature of the new Poor Law. The Parliament of 1834 accepted this horn of the dilemma. What is the other horn? Suppose it granted that the work given may or must interfere with other kinds of labour outside, then, if it satisfy the

demand of those who wish to be employed at [91] no 'degrading work,' but at an industry, it must be supplied in forms that will be acceptable to the workers. The employment must then be so conducted as to keep the employé who is dependent on it. He will have wages instead of 'encouragement money.' But whether his wages be paid at the market rate or on a lower scale, he will have no inducement to shift for himself. He will be a State employé, and, one way or another, the State must employ him. Whatever happens, his bargain is secure. And the larger the capital from the rates, the larger the number employed, the greater the interference with the open market. The proposers of municipal workshops and other State provision of employment accept this horn of the dilemma. *They want to drive trade out of private hands, and to place it in the hands of public authorities.* . . . The labouring class become habituated to the idea that they should look to the State for employment. The Local Authority is pressed to supply it. The employment is provided, but an increased rate is necessary. And if the employments provided by the Vestry are a

failure, some more permanent and specialised arrangement is desirable. More are attracted to the State-provided work; and, last of all, why should not the State—the competitor with whom none can compete—take over all kinds of business? *The question*, according to them, is *not one of employment, but of social reorganisation.*" The arguments which have been urged for and against such extension of State and municipal organisation of industry I propose to give in a subsequent volume. In this connection it need only be noted in passing, that the belief in the advantage of any considerable extension of State or municipal organisation of industry cannot be said to be based on experience. Municipalities in this country have as yet only shown that they are capable of undertaking satisfactorily those industries which are of the nature of local monopolies, while the Central Government at the present time carries on no manufacturing industries, except those connected with the Royal Arsenals and Dockyards.

Other socialistic schemes.

92. Other socialistic schemes of a somewhat similar nature have been recently formulated, though no attempt has been made as yet to

put them into practice. These have included such designs as the employment of the unemployed in "afforestation," in "adding a new county to England" by the reclamation of the Wash, and in utilising the Crown estates. With regard to some of these schemes, it may perhaps be suggested that if there was any prospect of their proving profitable they would readily have been undertaken by private capital. But putting the financial considerations on one side, there are grave difficulties in the way of any schemes of this nature. A general expectation is raised thereby that work will be provided by the State for all those without work, and the wholesale immigration which would take place into those districts in which these public works were started would intensify the difficulties of the situation. Only if it be proved that the distress is exceptional is the State justified in adopting such exceptional measures. Moreover, schemes of this kind, if they are to be satisfactorily carried out, would necessitate the employment of somewhat skilled labour on the part of the State, yet the demand for work comes mainly from the ranks of the unskilled. In certain cases emigration may be a remedy

for this permanent superfluity. But the idle and shiftless—and they may, perhaps, be said to form the greater number of the permanently unemployed—are not fit to emigrate, and to remove the better class of labour for the sake of lightening the competition of the lowest class cannot be regarded as a satisfactory remedy for this permanent superfluity. Another remedy which is frequently suggested is that of legal restrictions on alien immigration. But the amount of immigration into this country is, on the whole, so slight that it appears probable that its effect upon the problem of want of employment is generally much exaggerated, while at the same time its advantages are underestimated.

Non-socialistic attempts to deal with a permanent superfluity.

93. Turning to non-socialistic attempts to deal with a permanent superfluity of labour, some of the most noticeable are the schemes for farm colonies, etc., which are described in the Board of Trade Report. These have been in most cases established for so short a time that it is impossible to judge fairly of their results. "The advocates of these schemes," in the words of Mr. Loch, "wish to reclaim the labourers by disciplinary work, and afterwards

to replace them on the land. To this there are fatal objections—at least objections which have not yet been met. To move the able-bodied, unskilled labourers into the country in any large numbers would entail a very large expenditure, even if on other grounds it were desirable. If this difficulty were overcome, there would remain the further difficulty of transplanting the wives, who are usually part wage-earners, and the children; and if they were not transplanted also, there would be even more temptations than now exist for men to leave their families and become the 'single men' who are so numerous in common lodging-houses, shelters, and casual wards, while their wives receive an allowance from the Poor Law or from charity. The merely physical replacement on the land would thus be surrounded with extreme difficulties; if that were overcome, others still more serious would have to be met. The unskilled labour which it would be desired to use on the farm is of the kind 'usually out of work in the winter.' Its supervision would be most troublesome and expensive, and without the very closest oversight it is not likely to become even moderately efficient, much less to

[93] be reclaimed. If the supervision be slack, the men will remain in lazy dependence, or use the colony as a winter resting-place. If it continues severe, they will discharge themselves. . . . Past and recent experience alike, whether in England or abroad," show that the applicant as a rule is not replaced on the land, and he is not reclaimed. "He is given employment, which he takes or leaves at will." It has been suggested that "the farm should be used for selected ex-agricultural labourers who have taken to a town life. But, even if it were possible to draw such men back into the country in small numbers—which is extremely doubtful—the farm would still fail as a general remedy. The scheme would work on a small scale, and would not touch the great mass of the unemployed." It may be added that such remedies, even though they had been shown to be capable of reclaiming the present surplus labour, yet do not attempt to prevent a recurrence of the evil, except, as has been pointed out, in so far as they provide against reaction. The remedy for the greater part of this permanent superfluity is to be sought in all attempts to raise the condition—physical, moral, and mental—of

the lower classes of labour. Apart from their [93] physical and moral inferiority, with which various charitable and religious bodies are attempting to deal, the spread of technical education is the chief remedy for want of employment, in so far as it is due to want of training and adaptability on the part of the workmen. As the supply of totally unskilled labour steadily diminishes, the permanent superfluity will correspondingly lessen. With regard to these points the action of the Church and other religious bodies may be taken into consideration. Their attitude towards labour questions is becoming increasingly sympathetic. The clergy are endeavouring by means of lectures, discussions, etc., both to get at the facts of the case and the views of experts for themselves, and to increase knowledge and interest in others. But in view of the present clamour for the intervention of religious bodies in the questions of the day, and especially in that of the unemployed, it is necessary to remark that the majority of them do not in any way attempt to usurp the position of experts. In the words of Canon Barnett, "The clergy as a class are not perhaps well qualified

[93] to advise wisely on these matters; they are stronger when they aim to make others do their duty." Hence their action is rather indirect than direct. Without claiming to advise, or to offer a definite solution for the problem, they are indirectly helping it on in a variety of ways. In the first place, ministers of all denominations are able to exert an important influence upon the people with whom they have to deal, which may lead very largely to improvement in the material and moral conditions of those who are likely to become "the unemployed." Direct religious and personal influence is, of course, an important factor in this work; and its results may be well seen in the Salvation Army, which, even though its economic solution of the problem may be regarded by some as imperfect, is undoubtedly attacking the moral question with some success. But apart from this, the indirect action of the clergy with regard to the unemployed may be very considerable. By encouraging a healthy public opinion among those who can affect the regularity of labour, either as employers or consumers, they can attack the problem from without; by moral and educational influence,

improving the character and capacity of the [93] workmen and raising their standard, they can attack it from within. On this last question the work of the various university and school settlements has an important bearing. By such means as the dissemination of knowledge by lectures, classes, etc., and the substitution of wholesome recreation for the streets or the public-house, considerable effects are already being produced. Moreover, as the problem of a permanent surplus depends so largely upon the instability of the relations between employers and employed, much may be done to diminish the mutual antagonism between them, and so to lessen the irregularity of employment by the prevention of disputes. In the second place, the clergy and other ministers have largely in their hands the administration of relief within their districts; and this may be made a powerful instrument for good or evil with regard to the unemployed. A loose system of administration may be the means of maintaining and increasing the "residuum" from which the casual labourer is mainly drawn; on the other hand, a wise system may, both by checking pauperism and elevating character,

raise the whole standard of a district. In this connection the work of Charity Organisation Societies is of the first importance; and the efficiency of other agencies appears to vary in a considerable degree, according as they work in harmony with their principles or the reverse. Too often, it is said, the clergy administer relief in their parishes independently of other bodies, and thus increase the tendency to overlapping, with its consequent evils. Where, however, they work in conjunction with the Charity Organisation Society, the guardians, and other bodies, their knowledge of individuals renders their co-operation invaluable. A third and important way in which the Church can help in the solution of the unemployed problem is by assisting the efforts of the working men themselves. Active intercourse with Trade Union leaders is carried on in many districts, rooms are in some cases provided for their meetings to prevent the necessity of assembling at a public-house, and a spirit of self-help can be inculcated. "My influence," writes the head of the Winchester College Mission, "is exerted both in private and in public to try and make the men understand that the

solution of these questions lies with themselves."

Remedies which attempt to deal with the imperfect organisation of industry.

94. The remedy for the third source of want of employment—the imperfect organisation of industry—can also be attacked by both socialistic and non-socialistic methods. According to some persons, the only remedy is a socialistic one, namely, the substitution of common control of industry under the State or Municipality for the present sectional control under private employers. Reference has already been made to this suggestion. Others, however, lay stress upon the imperfect organisation which allows the existence at the same time of employers seeking workmen and workmen seeking work; and the chief remedy that has been proposed for this evil, namely, Labour Bureaux, can be managed by either public or private agencies, and thus conducted either on so-called socialistic or non-socialistic principles. With regard to Labour Bureaux, it is frequently assumed that the defect which they seek to remedy is the only cause of want of employment, and that therefore in removing this the problem will be solved. No system of registries can, however, remove either a temporary or a per-

[94] manent superfluity in industry as a whole; their functions are confined to the adjustment of supply and demand. In attempting to bring about this result, it does not appear that any difference of management exists between municipal and private bureaux as such, and the difficulties which are involved in this adjustment by any outside agency exist equally in both cases. Inquiry is generally made into the character and capacity of applicants, in order that the registrar may on supplying a man to an employer be able to give some guarantee of his suitability. From the point of view of finding employers willing to engage the workmen, this seems to be absolutely necessary, for otherwise they are unwilling to use the registry, from the belief that its object is to provide work for the inefficient. On the other hand, this practice is in some cases, as at Wolverhampton, resented by the Unions as an attempt to introduce the character note system. Where no inquiry of this kind is made, however, the bureau is of very little use from either the workman's or the employer's point of view, and is but little resorted to. On the other hand, where the

system of inquiry is adopted, the bureau seems [94] to be of least use to those most in need of it, that is the more or less unskilled and inefficient workmen. Finally, Labour Registries avail little to find work in time of trade depression, when the evils due to want of employment are most acute, yet when they are started in connection with relief work they lose the support of employers, and are, therefore, useless as a means of adjusting supply and demand. What is attempted for trade as a whole by Labour Bureaux is performed by the working men themselves for special trades by Trade Unions; for in so far as these bodies seek to find work for their unemployed members, they are remedying the evils due to the imperfect organisation of industry, in addition to those due to a temporary superfluity of labour. Voluntary agencies also exist for helping special classes of persons, such as discharged soldiers and prisoners, to find employment. An important work in mechanically bringing together employer and employed is done by means of advertisements in newspapers.

CHAPTER II

CRITICAL REVIEW OF THESE REMEDIES AND SUGGESTED SOLUTION OF THE PROBLEM

Introductory statement.

95. It has been shown that one of the main causes of want of employment is the existence of an excess of the supply of labour over the demand for it at any particular time. Such a temporary superfluity may be either general, on the one hand, or confined to a particular trade or locality on the other. The problem of a general temporary surplus would, in so far as it can be remedied at all, be dealt with apparently by different methods from those which are applicable to the problem of a partial surplus. For in the latter case, the surplus in one industry or district may co-exist with a deficiency of labour in other industries or districts, the supply of labour in industry as a whole even falling short of the demand. A

temporary superfluity may, therefore, be closely connected with, or even directly caused by, that disorganisation of industry which permits of a want of adjustment of supply to demand. Yet this adjustment is only possible within certain limits, both local and industrial. Skilled labour is always more or less specialised, and though with the increasing development of machinery, the transfer of skilled labour from trade to trade is becoming more easily accomplished, the equalisation of demand and supply is at present mostly confined to the demand for, and the supply of such special knowledge. Unskilled labourers of all kinds may indeed be practically grouped together as belonging to one industry as far as the easy transfer of labour is concerned; but even with labourers of this class the movement of supply in accordance with the fluctuations in demand is checked by other causes. Thus the particular district in which a workman, skilled or unskilled, is engaged, may afford opportunities of subsidiary employments to his wife and children. A married workman may in this way be prevented from moving into another district where work is offered, from the danger thus

incurred of lessening the family earnings. A temporary superfluity of labour, due to a want of adjustment of demand and supply, is therefore partly due to this local and industrial immobility of labour, and is thus to some extent unavoidable. In so far as the temporary superfluity is due to such causes, and not merely to the failure of employers and workmen to find one another, the surplus, though confined to one trade or locality, presents a similar problem to the surplus which is general. All those cases in which a temporary superfluity of labour could be eliminated if only the requisite knowledge of supply and demand were forthcoming, may be grouped as instances in which want of employment is due to the disorganisation of industry. All other cases may be regarded as belonging to the first of the three problems under consideration, that of a temporary superfluity of labour.

General review of the problems presented.

96. This problem of a temporary superfluity presents, however, three apparently more or less distinct problems. A general superfluity may exist temporarily in one particular industry only. The work in such an industry may be of so special a kind that it is difficult for

the skilled artisan engaged in it to find other employment when work fails him in his particular branch of industry. The workmen in any such industry may then be said to be non-transferable to other industries, and, from the point of view of theoretical discussion, the problem may be regarded as identical with that of a temporary superfluity of labour in industry as a whole. Or a general superfluity of labour may exist temporarily in one particular locality. When the majority of workers are, from some reason or other, unable to shift to another locality, this problem is also theoretically similar to that of a general superfluity of labour in industry as a whole. In neither case can the difficulty be remedied by any adjustment of supply to demand. The problems of a partial surplus, local or industrial, are therefore in such cases practically identical with that of a general surplus. In so far as the immobility and want of adaptability of labour is remediable, if knowledge of the demand for labour were forthcoming, the problem presented is that of the disorganisation of industry. Still following the lines marked out in dealing with the causes of want of employment, and

adhering to the order of treatment there adopted, the second main problem is that of a permanent superfluity of labour—industrial, local, or general. Here, again, there are three theoretically distinct, though practically closely connected problems, namely, that afforded by the existence of those persons who are permanently unemployed because *morally unfit* for work; that afforded by the existence of those who are *physically unfit* for work; and, finally, the problem presented by those who, though morally and physically capable of work, are either *wanting in power of adaptation* to changed conditions of industry, or *without sufficient skill* to compete successfully for employment. But even supposing that remedies have been found for such temporary and permanent superfluity of labour, a third problem is presented by the disorganisation of industry in the narrower sense already indicated, namely, in so far as there still exists a temporary industrial or local superfluity which could, if complete information were obtainable, be in practice eliminated.

Solution of the problem

97. It appears, therefore, that many lesser problems are involved in the one complicated

problem of the unemployed, and that these are closely connected with one another. It remains to consider in what direction a solution is to be sought. Such a solution is to be found not so much in any one vast remedy as in a series of smaller remedies, each attacking one or more of the causes which have sufficed either to bring about or to intensify the present problem. In the previous chapter[1] dealing with the causes of want of employment, it was shown that a depression of trade, whether general or special, may sometimes be due to causes inherent in the nature of the industry, as in the case of seasonal trades, and sometimes to causes inseparable from our complicated national and international industrial organisation. So far it would appear that fluctuations in industry causing a temporary superfluity of labour are hardly preventable. Even those who assert that a complete reorganisation of industry on the basis of common control is the only remedy for the problem of the unemployed do not maintain that severe commercial crises would no longer occur. The conditions of trade are so dependent on causes wholly

presented by a temporary superfluity of labour.

[1] Part III. Chap. III.

[97] beyond our control that temporary depressions are inevitable. All that could be accomplished under a system of collectivism would be that the evil effect of such depressions should be minimised in this sense, that it would be shared by the community as a whole. So long as British industries are dependent upon the supply of materials from abroad, or even upon the variations of the weather at home, trade must suffer from any event, however remote, which affects that supply, and must be subject to occasional stoppages from fog, frost, or rain. So long, moreover, as confidence at home depends upon the safety of investment abroad, trade in general is liable to shocks and depressions from a failure of credit in other parts of the world. An occasional temporary superfluity of labour is therefore unavoidable. But it was also shown in that chapter that the depression was frequently due, partly at any rate, to preventable causes. Thus sudden and violent fluctuations in the demand for labour were shown to be brought about, both directly in the fashion trades themselves and indirectly in other industries, merely by the capricious changes in fashion. The community in this

respect—partly from indifference, partly from [97] ignorance—fail to grasp their moral responsibility as consumers for the industrial irregularity which their requirements produce, or at least encourage. The practice of withholding orders till the last minute in order that the very latest fashion may be obtained causes violent fluctuations in the demand for labour. This leads to an increase in the amount of casual labour, which might be rendered unnecessary if the public realised the consequences of their action. An increased moral responsibility on the part of society might influence also those trades in which it has become the custom for everybody to have certain work done at short stated periods in the year. The co-operation of employers could do much towards remedying these evils, and a steady determination on their part to equalise the work as much as possible throughout the year would do much towards breaking down customs which cause so much unnecessary irregularity. But the intensity of demand at special times leads in certain industries to abnormally high prices, and employers, tempted by self-interest, and not condemned by public opinion, are anxious to take advan-

[97] tage of the good times. By the offer of overtime work, perhaps at extra rates of pay, they engender the habits of irregularity among their ordinary staff of workpeople; by the abnormally high wages temporarily offered to outsiders, they engender similar habits in workmen engaged in other industries. The question is also to some extent a moral one, in so far as a temporary depression is due to the failure of commercial confidence consequent on excessive and perhaps immoral speculations. The remedy in this case is to be looked for in the influence of public opinion on such methods of conducting trade, in an increased moral responsibility on the part of speculative employers, and partly, also, to a revision of the law relating to speculation in trade. Improvements in this direction are the more necessary, because the condition of trade is so intimately bound up with the state of credit, that anything which increases the stability of the latter will have the same effect upon the regularity of employment. The slightest suspicion that a large employer in a highly-organised community is acting fraudulently may cause a sudden contraction of credit, and thereby a fall

in the demand for labour; while the prevalence [97] of a gambling spirit in matters of trade may lead to unsafe speculation, and thus to reactionary depression. To increase the security of trade, therefore, whether directly by enforcing severer penalties for adulteration or fraudulent bankruptcy, or indirectly, by inculcating a higher standard of commercial morality, is thus to ensure more regular employment for the workers. The temporary depression may, however, be due merely to inability to forecast the fluctuations in trade. This might be partially remedied by the collection and publication of reliable trade statistics by a Government department, which would enable individual employers to forecast the conditions of trade with a closer approximation to certainty than is at present possible. To a certain extent this work has been undertaken in the past by the Board of Trade, but the statistics have not covered a sufficiently wide area, and the smallness of the staff engaged on such work resulted in so long an interval between the actual collection and publication of the facts as to considerably detract from their value for practical purposes. It is essential that such publica-

[97] tions should be up to date and published at comparatively short intervals. The *Labour Gazette* recently undertaken by this department promises, in some degree, to remedy this defect. Another cause of a temporary superfluity of labour to which reference has been made is that of the occurrence of trade disputes. Anything which would tend to obviate or bring about a speedy settlement of such disputes would at the same time afford a partial solution of the problem of want of employment. With the exception of the increased publication of labour statistics by a Government department, none of the above remedies suggested for dealing with a temporary superfluity of labour can be included under the term "socialistic." One of this nature, however, which is frequently advocated, and, indeed, sometimes claimed as a right, is the establishment of relief works by Local Authorities. Apart, however, from the financial difficulties involved, and from the general question of the advisability of the State or Municipality in any way appearing to undertake as a duty the provision of work for the unemployed, it may be doubted whether such relief works offer any adequate remedy

under ordinary circumstances for temporary [97] want of employment. Special relief works started by Municipalities have a tendency not only to "attract the destitute classes to those spots," but "even to draw the pauper and semi-pauper classes from the Continent," because a general expectation is raised that employment will be provided by the governing bodies. Although the creation of artificial work for the worthy unemployed might be free from objections, "the honest, industrious poor are so intermingled with the shiftless and incapable," that it is impossible for a governing body providing relief on a large scale to separate them. "The schemes of relief which are suited to the former only do harm to the latter." Experience has shown that it is almost impossible to escape from the difficulties inherent in any system of municipal relief works unless given in times of very exceptional distress. It is, however, difficult to see why objection should be made to schemes of relief works carried out with due care as part of a national scheme by private agencies. It was stated in the *Times* of 6th December 1887, that "if men were out of work, it is because

[97] the resources of the community have undergone contraction, and if we choose that moment to throw upon these resources the strain of payments heavy out of all proportion to the actual relief they provide, we take the best means to postpone a healthy reaction." But it is doubtful, in the first place, whether the cause of the temporary superfluity is necessarily a contraction in the resources of the community, and in the second place, whether "the strain of payments" (in the form of relief works) need be "heavy out of all proportion to the actual relief which they provide." A temporary superfluity may, as we have already seen, be due to seasonal and other causes wholly independent of the "resources of the community." But even if the temporary superfluity is due to a general depression of trade, it is difficult to see why the establishment of local relief works, if so carried out as to put no premium on laziness, shiftlessness, and want of self-dependence, should postpone a healthy reaction. Such works, if carried out locally, can be of such a kind that they do not compete with other industries; and those engaged in them, instead of being a burden on the resources of the

country, have obtained the means to demand [97] the necessaries of life. Moreover, although relief works carried out on a large scale by Local Authorities may be a financial loss to the community, this is not necessarily the case when they are carried out on a small scale, careful discrimination made among the applicants for employment, and every man required to earn fully the wages which he receives. "Work, not alms," is in every way better for steady workers thrown out of employment. It appears, moreover, from a letter from Mr. A. F. Hills in the *Times* of 8th Nov. 1893, that it is possible to administer a system of "employment relief" in a thoroughly satisfactory manner. But the problem of a temporary superfluity in any particular locality cannot be dealt with separately. In the first place, such a surplus may be due merely to a local congestion of labour. The system of relief must, therefore, be conducted in connection with some kind of Labour Bureau. In the second place, a system of relief works may serve to undermine the self-dependence of the unemployed. Relief must, therefore, be so given as to guarantee that the workers shall do their utmost to find

[97] other employment for themselves. This would necessitate the offer of employment for part-time only, so that workmen should neither be attracted from other employment, nor, if unemployed, prevented from looking out for other work. In the third place, this system of relief must be confined to the temporarily unemployed. Careful discrimination must, therefore, be made among the applicants for work; the voluntarily irregular labourer must be debarred from sharing in the relief by the necessity imposed upon him of working absolutely regularly. Finally, relief works must be so conducted as not to encourage immigration of labour into a district in which there is already a temporary congestion. The problem of the unemployed must, therefore, be dealt with nationally, though the relief works are conducted locally, and, if necessary, the works must be open only to those who have resided in the district for a certain period. Under ordinary circumstances, then, relief works so carried out by private agencies may be one remedy for temporary want of employment. Under exceptional circumstances only is the State or Municipality justified in interfering in the matter. It may

be considered in passing how far the distress [97] caused in one industry by a severe strike or lock-out in an allied industry can be regarded as sufficiently exceptional as to justify such exceptional measures. It may perhaps be urged *a priori* that any step of this kind on the part of the State might serve to weaken the moral responsibility incurred both by the employers and workmen in such an industry when they entered upon an industrial conflict. In so far as this was the case, such action would tend to delay the attainment of social peace, and would thus only tend indirectly to intensify the evil which it sought to remedy. Moreover, since the duration of the dispute is uncertain, relief works on a large scale would only tend to further disorganise the labour market, already largely disorganised by the strike or lock-out. Organised charity, a careful system of private relief works, Trade Unions with out-of-work benefits, and similar remedies, can only be safely trusted to deal with distress of this kind. To justify State interference the cause of the distress must be exceptional, in the sense in which the causes which led to the cotton famine in Lancashire were exceptional.

Solution of the problem presented by a permanent superfluity of labour.

98. It has already been stated that the problem presented by a permanent superfluity of labour falls into three theoretically distinct though practically closely-connected problems, namely, those presented by the existence of a surplus which is morally or physically unfit for work, or which, by a want of any power of adaptation to the changed conditions of industry, or by insufficient skill, is unable to compete successfully for employment.

The problem of a surplus morally unfit for work.

99. Certain of the solutions offered for the first of these problems, namely, the existence of a morally unfit surplus, are apparently based on one of two assumptions. The first is, that a man's character is moulded by his external circumstances, and if, therefore, the conditions of his outward life are improved, the moral difficulty is thereby eliminated. The second is, that a man's character depends wholly on himself and is independent of outward circumstances; only when a moral improvement is effected in mankind can any permanent improvement in their outward conditions be obtained. The first of these assumptions, carried to its extreme by the Anarchists, and apparently held by a section of the Socialists,

is implicitly rather than explicitly contained in all those solutions which take no account of the moral aspect of the problem. The investigation into the causes of want of employment, and the preliminary classification of the unemployed dealt with in the earlier chapters, have shown that the problem is only partly moral. To get rid of the surplus which is morally inefficient requires that an improvement shall take place in the industrial organisation and in the outward circumstances of the workers. The suggested remedies for defects in the industrial organisation will be dealt with later in connection with the third main problem. Numberless indirect reforms are required to improve the outward conditions of life of the poor and at the same time to elevate their character. Such indirect remedies are to be found in the direction of increased sanitation in factories, workshops, and in private dwelling-houses; in the building of model workmen's dwellings by private enterprise or by the Municipalities, to be let to workpeople at low rents; in the indirect prevention of overcrowding, by not allowing the poor to be turned out of their dwellings by an order of demolition until sufficient provision is made for

[99] them in a neighbouring quarter. Anything which tends to improve the conditions of town life by affording purer air, more light, and purer water; anything which tends to improve the conditions under which their work is carried on, will at the same time, by decreasing the physical deterioration consequent on town life, afford a partial solution of the problem of the unemployed; for the possibility of moral improvement is hindered in unhealthy conditions of life. But the effect of such improvements in external conditions is unlikely to have any very appreciable effect on the morally unfit of the present generation. Some slight influence they may have, particularly on those who are only on the fringe of this class, but the effect of such changes would appear chiefly in later generations. Though this is to a large extent the case with all remedies that aim directly or indirectly at raising the moral character of the workers, it is more so with this group of remedies than with others less indirect in their action. Thus, their character may be indirectly elevated by lessening the temptation to immorality by due provision for moral and healthy pleasures, and the same result may be attained directly by

means of increased facilities for education and [99] by the influence brought to bear by the various religious bodies and by the University and Public School Settlements. Details of the work done by these various agencies in attempting to bring about directly and indirectly a solution of the modern labour problem will be given in a subsequent volume, and need only be referred to in this connection. The co-operation, however, between the religious and philanthropic agencies on the one hand, with the working men and their leaders on the other, affords a guarantee for the belief that this problem of the unemployed will be regarded by the working men themselves as partly a moral question, and in so far the solution is likely to be worked out on safer lines. "We are constantly conferring with and sought by the workmen and their leaders," wrote one clergyman, and this letter was typical of others, "as to anything and everything that may promote their interests." The problem presented by the morally unfit can, moreover, be attacked indirectly by so organising the system of charities, of Poor Law relief, etc., that a premium is no longer put upon immorality by ill-administered doles.

The problem of a surplus physically unfit for work.

100. The problem of physical unfitness has been already partially discussed in dealing with that presented by the morally unfit. It would be impossible to deal with it at any length here, but the time cannot be far off when restrictions of some kind or other will be placed on persons of either sex, who are subject, whether from their own fault or not, to contagious diseases which are certain to enroll their offspring permanently in this class. Such restrictions, when they are introduced, will have to be applied to rich and poor alike, as well as to both sexes.

The problem of an unskilled surplus.

101. The third problem which remains in dealing with the question of a permanent surplus is that which is presented by the existence of those who, from want of adaptability to the changed conditions of industry, or from want of skill, are unable to compete successfully for employment. No immediate remedy can be found for those who, though engaged in a declining industry, probably at starvation wages, are yet "too shiftless and too feeble to abandon the occupation to which they are accustomed and seek employment elsewhere." It is these workers who are engaged in the so-called "sweated" industries, and the work is generally

carried on under most insanitary conditions. The evil is thus aggravated, for the workers, naturally without the energy to move from a declining to a growing industry, are dragged down in physique by the low standard of living to which they are forced to become accustomed, and thus become still more feeble and less able to change their work. The remedy lies in making the owners and occupiers of the places where such work is carried on, and further in a less degree, employers who have out-workers in such industries or districts, legally responsible for their sanitary condition. By a rigid enforcement of the law, either the nature of the work will gradually change or the "sweated" trades will be slowly driven out of existence with the least hardship to those engaged in them. This hardship to the workers will be minimised if at the same time the problem of insufficient training is forcibly attacked. This can be done mainly by means of increased activity by the local authorities in the matter of education, or, failing them, by increased activity on the part of the School Board Inspectors in order that the existing Education Acts may be more effectively administered, but partly also by the

development of some system of apprenticeship and by increased opportunities for technical education. The first of these reforms would probably require an increase in the number of inspectors under the Education Acts. The second demands in the first place an increased moral responsibility on the part of employers, so that they may be more willing to take lads as apprentices and train them properly for a sufficient period. It also requires an increased moral responsibility on the part of apprentices, in order that they may work more honestly for their employers and remain more steadily in the trade. The development of the apprenticeship system would, moreover, be indirectly stimulated by an increased moral responsibility on the part both of employers and employed toward the general public, so that the need of training would be increased owing to the discouragement on all sides of "scamped" work. Steps have already been taken in the direction of increased opportunities for technical education by the County Councils and other local authorities in various districts. The question of "apprenticeship" will be dealt with in a subsequent volume.

Remedies for the "existing stock" of permanently unemployed.

102. These remedies for a permanent surplus attack the causes of the existence of such a surplus, and do not deal with the "existing stock" of permanently unemployed. It therefore remains to consider in what way this existing body of unemployed can be helped, whether by labour colonies, labour farms, or similar establishments, or merely by Poor Law Relief. In the previous chapter dealing with the remedies suggested or adopted in connection with the problem of the unemployed, it appeared that labour colonies had not at present shown that they were capable of reclaiming the colonists. This is the case equally with the penal colonies of Holland and Belgium and with the free colonies of Germany, France, and Holland. The colonies are, moreover, in no case self-supporting. It therefore appeared that their main advantage lay in the removal by this means of the contaminating influence of a section of the permanent surplus. In a letter to the *Times*, dated 1st November 1893, Mr. Loch stated: "No scientific man in his senses repeats experiments that have failed. . . . He works from experiment to experiment on lines of known progress." This is true, but

[102] labour colonies as such are not necessarily condemned as a partial remedy because continental experience has shown them to have failed in their object. Rather must the cause of such failure be ascertained and fresh attempts be made to establish colonies which will improve in these points upon those already in existence. With regard to such colonies, it may be laid down in the first place that, after the necessary expenses of starting such a colony have been incurred, it should be required to be absolutely self-supporting, for if not it will be looked upon merely as a charitable attempt to raise the residuum, and, as on the Continent, the ex-colonist will find it extremely difficult to obtain work in the labour market. Entrance must be voluntary and exit must be voluntary, but after a certain period has been allowed to elapse, during which a man may be supposed to have somewhat regained his normal vigour, workmen can only be suffered to remain in the colonies provided that they are able to earn their maintenance. The colony should, moreover, as far as possible, be self-contained, so that the work done therein should as little as possible compete with outside industries. Under a system of this kind

there appears to be no reason why employers [102] should be unwilling to engage ex-colonists; for the mere fact of their somewhat prolonged residence in the colony is sufficient to prove that they are capable of doing steady and good work. Such work is, moreover, performed on their own initiative, for unless they choose to earn their own living without external pressure they are at liberty to leave the colony. The effect of this steady period of work would appear to be the surest method of reclaiming those who are capable of being reclaimed. As far as possible the colonists can be employed at the work for which they are specially fitted. Those who are without special skill of any kind might be afforded opportunities of technical education. The colonies might, moreover, be connected with a central labour bureau through which a knowledge of vacancies in the outside world might be obtained. But it should be made absolutely clear that the colonies in no sense offer charity to the unemployed, but only the *opportunity* of fitting themselves for work. If they fail to grasp the opportunity thus afforded to them, the problem of dealing with them is best left to the Poor Law and to charitable and

religious bodies. There are of course some who, though not morally unable to earn the right to reside in the labour colony, are yet physically unfit to do so. Such of these as are left dependent on the State should be treated differently in the workhouse to those who are brought there from weakness of character or vice. By means of a system of classification of inmates, the moral can be separated from the immoral, and the former can safely be treated in a more kindly fashion. If changes of this nature were made, great care would of course have to be taken that State help of the sick and infirm was not allowed to weaken the sense of filial responsibility. Entrance into this part of the workhouse would have to be accompanied by a strict investigation into the resources of the person who claimed admittance. For those who have failed, through weakness of character, to be reclaimed, the workhouse must be made as unattractive as possible. The severer and the more irksome in its discipline the life of paupers of this class is made, the better both for the individual and for the community. But although the State cannot reclaim the surplus which proves itself morally unfit for work, except by

affording the members of it opportunities on the one hand for improving themselves, and on the other the fear of an unattractive life if they fail to do so, "much can be accomplished by personal and voluntary service" on the part of religious and charitable agencies. The State can only help those who are prepared first to make every effort to help themselves. Private individuals can seek out those who require their aid. A clergyman working in the East End of London added, in a letter on the problem of the unemployed: "One by one these poor brothers must be taken by the hand; it is only thus that real progress can be made."

Problem presented by the disorganisation of industry.

103. Of the main problems which underlie the general question of want of employment, it remains to consider that presented by the disorganisation of industry, in so far as a temporary local or industrial superfluity may exist which would no longer exist if complete information were obtainable. This problem can be attacked by a threefold group of agencies. An organised system of Trade Unions may undertake to adjust the supply of labour to the demand, while at the same time employment

is made more regular by a development of the "List System" in force at the Metropolitan Docks. The same function may be undertaken by an organised system of municipal or voluntary labour bureaux, or by a system of common control of industry under the State. The present system of industrial organisation needs to be supplemented in such a way that, while in any one industry the supply of labour is made to adjust itself to the demand by a "dovetailing" of districts, in industry as a whole the supply of labour can be made to adjust itself to the demand by a "dovetailing" of industries.

Remedy afforded by an extension of Trade Unionism.

104. It has already been shown how within the limits of any trade the Union frequently brings about, as far as is practicable, such local dovetailing. This work is, moreover, carried on by the Unions in such a way that imposture of any kind is prevented, and the self-help of each member of the Union in no way undermined. The regulations under which work is obtained for any member out of employment are such that each individual is bound to try and find work for himself, and cannot rest solely on his Union. But this mobility of labour from one district to another in accordance with fluc-

tuations in demand is only accomplished by the Unions, where it is undertaken at all, for their own members, and does not therefore solve the question for non-Unionists. In a letter to the *Times* on 1st December 1887, Mr. Cohen suggested that "it would be very desirable if the nomadic skilled and unskilled labourers of the country could be attached to the Trade Unions as associates, enrolled on an entirely different financial footing to the full members, paying a very much smaller subscription when in work, and receiving, of course, a much smaller allowance when disabled or out of work, but enjoying full use of the House of Call. An industrial map of the country should then be prepared by the Trade Union Council, in which, *inter alia*, all such Houses of Call should be noted." This suggestion is capable of further development on the same lines. Granting that the system was capable of adoption, and that all the "nomadic skilled and unskilled labourers of the country" were enrolled in the Trade Unions, then within each separate trade, by means of a central Clearing-House or House of Call connected with every local House of Call, the local adjustment of supply to demand

[104] could be accomplished. But the wider problem would still remain of the "dovetailing," as far as possible, of different industries, so as to adjust the supply of labour as a whole to the demand for it. This could probably be accomplished only within narrow limits, while each Trade Union continues to jealously guard the interests of its own members, to the exclusion of that of the members of other trades. But if such trade selfishness could be overcome, it may be suggested that this industrial adjustment could be undertaken by a Committee appointed annually at the Trade Union Congress. Such Committee might consist of representatives from each of the several national Houses of Call in the different industries. Each member of this Committee would at any time know the relation in which the supply of labour in his particular industry stood to the demand for labour in that industry. The local adjustment of the supply to the demand would have been already affected as far as possible by the National House of Call; and any surplus or deficit, as the case might be, in that industry could not be met by any further local adjustment. Thus, if the supply of labour in any

particular industry in any locality was known [104] to be short of the demand, and if it was also known that the deficiency could not be met within that industry, the central Committee could suggest the drafting of surplus labour in the most nearly allied industries within or near the district. The central Committee could thus perform the functions of a National Central Labour Bureau. Such a scheme could perhaps be carried out for Unionists; but the chief obstacle which is presented by any extension of Trade Union action of this kind to "associates" is to be found in the difficulty of fixing a standard rate of wages. The advantage claimed for this Unionist system over the corresponding system of a network of labour bureaux is, that under the latter the efforts of the Trade Unions to maintain as high a rate of wages as the various trades can afford may be paralysed. Thus, in a letter to the *Daily Chronicle* on 29th December 1891, Miss Clementina Black stated that there was a continual danger of the Labour Registry being an additional instrument in lowering the rate of wages when it is in other than Trade Union hands. In an article in the *Bradford Observer*

[104] on 4th January 1893, it was pointed out that, while the Unions obtain employment for their members at Union rates of wages, "the labour bureaux must simply offer men who want work at any wages." This danger of lowering the standard rate will, however, be equally serious in the case of Trade Unions with a vast body of associates, unless the latter, like the members, are bound not to accept wages below a certain minimum, whether working in their own trade or temporarily engaged in another industry where there is a demand for their labour. It may be urged that if the Unions offered such advantages to those who were merely associates, it would weaken the Trade Unions in their present form as essentially fighting bodies. But it may be replied that this is not likely to be the case to any material extent, since preference in the way of employment would always be given to members over associates. It might again be urged that the power given to the Unions in the direction of fixing wages would, with such an extension of Unionism, be too great. But it is evident that an unreasonable policy would defeat its own ends, for if the employer refused to engage those men who were not

worth the wages they demanded, the Unions [104] would tend to be ruined immediately by the amount of out-of-work pay demanded by its associates. The difficulties which can, however, be urged against this suggestion are twofold. In the first place, it would be difficult, if not impossible, to establish such Unions on a safe financial basis, as no forecast could be made of the probable demands on the out-of-work benefit fund. This is, of course, applicable as an argument to the present Unions, but it applies more forcibly to Unions with a large number of associates, belonging solely for the sake of the chance of finding employment and the receipt of out-of-work benefit. If the out-of-work fund were not treated as separate from the remainder of the funds, in the time of a severe and protracted strike or lock-out in any district part of the former fund might necessarily be encroached upon, and the associates, belonging only for the sake of the out-of-work benefit, might be made to suffer indirectly from a strike on the part of members. On the other hand, if the funds were kept separate the power of the Union as a fighting body is dangerously weakened. Finally, in time of general depres-

sion the demand on the Union for out-of-work payments might become so great as to reduce it to comparative poverty, or even to bankruptcy, and, if advantage were then taken of the state of the Union funds by any unscrupulous employers, the association would not be in a position to fight, and might be forced to yield to the demands of the employers to such an extent that they would find it difficult to retrieve their position later. In the second place, it may be urged as against this suggestion that it would be impossible to enroll all the members of any trade as associates bound not to work for less than a certain minimum wage, unless that minimum were low, and then the tendency of a minimum to become a maximum would be liable to lower the average rate of wages all round. This difficulty could be to some extent overcome, as at the present time, by the fact that the minimum wage varies in different localities. But the aim of Unions has always been to eliminate the local variations, believing that this policy was the best for gradually establishing a higher average all round. To enroll all workers as associates would make this policy impossible. The fact which would then ap-

parently have to be faced would be that, though many of the present non-unionists could advisably be enrolled as associates and earn the minimum wage, a large number would thus be deprived of the means of earning a livelihood. These mostly belong to the physically, mentally, or morally unfit dealt with in the discussion of the problem of the permanent surplus.

Development of the "List System."

105. But the possibility of industrial and local "dovetailing," whether by a development of unionism or by means of labour bureaux, would be rendered easier by an increase in the regularity of industry and the elimination, as far as possible, of the casual labourers. The system of employing a large number of men irregularly rather than a smaller number of men regularly occurs chiefly in those occupations in which the supply of labour is habitually in excess of the demand. Regularity of employment can, therefore, only be obtained by the restriction of the number of men employed. The men themselves can only effect this restriction by limiting the number of members in the unions, whilst at the same time excluding non-unionists from employment. But while it is perhaps almost impossible for a Union in

overcrowded industries to carry out such a course of action, it is by no means clear that the result would, if accomplished, in the long run prove beneficial to the workmen as a whole. The evil effects of irregularity of employment are seen in their most acute form, as already stated, in the case of the docks. The remedy for these evils, in the opinion of Mr. Charles Booth, lies in the development of the "List System." This system was introduced by the employers themselves. A certain number of men are employed permanently, and the remainder divided into classes according to their efficiency and steadiness; preference for employment is given in the order of the classes, and no casual labour is admitted until the whole of these classes has been absorbed. Such a system must be beneficial to the workmen and to the work itself, for continuance in the class of regular workers or in one of the other privileged classes is dependent on the efficiency of the work performed. Yet, though it can hardly be doubted that a more general introduction of the "List System" would be a step in the right direction, it increases the difficulties presented by the problem of a permanent surplus, by

depriving a large number who are only capable of being casual workers of their means of earning a precarious livelihood. This problem will become increasingly difficult as improvement is effected in our industrial organisation, for many who would otherwise form a permanent surplus are now able to live by means of this very want of rapid adjustment of supply to demand.

Remedy afforded by a system of labour bureaux.

106. The suggestion mentioned above, that the State should itself own the instruments of production and assume the control of industry in the interests of all, may be left on one side, as even its advocates do not represent it as possible of immediate application, and I have only now to deal with the remedy afforded by a system of labour bureaux, either municipal or voluntary. It may perhaps be claimed *a priori* that the remedies which it is thus sought to introduce can to a very large extent be obtained by the voluntary methods, to which reference has already been made. The objects of labour bureaux, according to Mr. Cohen, are "to provide local organisations for the industrious, reliable, able-bodied poor, through which their reliability and good character can be easily

[106] authenticated, and thus made available to them at a distance from home, thereby facilitating their migration to localities where even a temporary unsatisfied demand for labour may be reported, or their emigration to countries where their permanent employment could be assured." Such local labour bureaux, if connected with a central labour exchange, would supply the same function as the central committee of the Trade Union houses of call. But there is this difference between their respective functions. Skilled labour is more easily transferable from one district to another in the same industry than from one industry to another in the same district. Consequently in the case of skilled labour the adjustment of supply to demand, except within the narrow limits of a particular locality, would be possible by means of the central labour exchange, rather than by the local bureaux. Industrial, rather than local, bureaux, connected with the central exchange, would be more capable of adapting the supply of labour to the demand in the case of skilled industries. But it may be urged that this function is already performed to a large extent for these industries by the respective Unions, and the present

system only needs to be supplemented by the [106] establishment of some connection between the various Unions. Labour Bureaux are chiefly needed in the case of the unskilled trades, and in these labour is more easily transferable within a particular district. But in the case of unskilled labour there is yet another difficulty to be faced. It is in the more or less unskilled trades that the system of casual labour is most extensively used, and it may be asked, "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?" It may be granted that this disadvantage is inherent in local bureaux, unconnected with similar establishments in other localities. But if a network of such employment agencies were formed all over the country in close connection with each other, such a system would be able to do something towards breaking up "the immobility of labour." For the possibility of a large amount of casual

[106] labour in any industry depends on the existence in any particular locality of an excess of the supply of labour over the demand, and such a permanent local surplus is the very evil which an organic system of labour bureaux would, theoretically at any rate, tend to remove. In the article in the *Economic Journal* on the Industrial Residuum, quoted above, Miss Dendy says: "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. . . . 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." A system of industrial organisation by means of an extension of trade unionism or by an organic system of labour bureaux would tend to perform this function for the class of efficient unemployed. The distinction between the "unemployed"

and the "unemployable" would, however, be [106] more sharply defined. But there is another difficulty which is frequently urged as against any system of labour bureaux, namely that by abstaining, as they must, from any interference with the rate of wages, they tend to lower the standard rates. To this it may, however, be replied that those unionists who obtain work through a labour registry are bound by the regulations of their union not to accept work at a rate of pay below a certain minimum. If they are not so bound, it is for the Union itself to see that some such rule is enforced. In the case of non-unionists there is no ground for the belief that they are more likely to accept low wages when negotiating for work through the bureau than when they are negotiating purely on their own initiative. It might even be claimed *a priori* that they are in a less likely position to accept low wages in the former than in the latter case, for they have some hope of obtaining work through the bureau, and therefore are loth to accept the first that is offered at whatever rate of pay. In view of the difficulties inherent in any plan of enrolling every one, skilled and unskilled labourers alike, in

Trade Unions as members or associates, it may be granted that labour bureaux perform a useful function for some classes of labour. But even so, at the present time it is possible that this work might be done more satisfactorily by a network of voluntary bureaux rather than by municipal bureaux. Firstly, because of the danger lest the latter should foster the idea that the State or Municipality is bound to find work for its citizens; and secondly, because it is difficult for a bureau established by the central or local authorities to institute any satisfactory inquiry into the character of the applicants, yet without some such system the bureaux will fail in their object.

CHAPTER III

CONCLUSION

Five-fold nature of the problem.

107. It appears from the above investigation that no one heroic remedy can afford a practical solution of the problem of the unemployed, but rather a series of lesser remedies on the lines suggested by an examination into the different problems contained in this one complicated question. These remedies discriminate between the problem of dealing with the existing distress and that of preventing its recurrence. The distress may, moreover, be consequent either on the existence of a permanent or merely a temporary surplus, while the surplus may be itself due to a disorganised industrial system. Again, the prevention of the recurrence of the existing distress involves a separate attack upon the causes leading to a temporary surplus, on the

one hand, and to a permanent surplus on the other. In short, the problem of the unemployed has been seen to be five-fold: the existing "stock" of temporarily and permanently unemployed must be eliminated; the recurrence of the problem of men thrown temporarily or permanently out of work must be prevented; and industry must be so organised as to assist the circulation of labour in accordance with the demand for it.

Remedy for the existing "stock" of temporarily unemployed.

108. The chief remedy for dealing with the existing "stock" of temporarily unemployed in any locality lies, as we have seen, in the provision of voluntary relief works. But lest such a temporary surplus should be due merely to a congestion of labour in one locality, while there is a temporary deficit of labour in another locality, it is important that such relief should be conducted in connection with a central voluntary labour bureau, by means of which, as far as possible, the supply of labour may be adjusted to the demand. In an attempt by means of relief works to deal with a temporary local superfluity, which it is not advisable to draft off into other industries or districts, it is, however, necessary that the relief works,

though conducted locally, should be national in application; for otherwise a temporary local surplus will lead to a permanent local surplus by the influx from other localities into the favoured district. Again, to guarantee that the temporarily and not the permanently unemployed are benefited by the relief works, careful discrimination must, if necessary, be made among the applicants for work, and they must be forced on pain of dismissal to earn the wages which they receive. Finally, it would be necessary to guarantee that the temporarily unemployed should not become permanently dependent on the relief works. This could be done as follows. Employment on the relief works should be offered only, say, for half time, but for this period it should be compulsory. By this means not only would the casual workers be less tempted to become applicants, but while, on the one hand, opportunity is thus given to the men to seek for other employment, on the other hand the weekly wages earned are insufficient either to attract workmen from other employment or to prevent workmen from desiring to obtain other than relief work. Moreover, whenever the central

labour bureau showed the demand for labour in any district to be in excess of the supply, the men engaged on the relief works should be ordered to remove to that district, under pain of dismissal if they refused to do so without any satisfactory reason.

Remedy for the existing "stock" of permanently unemployed.

109. It appears that no remedy is available for the greater number of the permanently unemployed other than that already to some extent afforded by the Poor Law and various charitable and religious agencies. But some new agency is required to discover what members of this class are capable of being reclaimed. This task may be undertaken by free and voluntary labour colonies, in which, after a certain period of residence has been allowed to elapse, the colonists are obliged to earn their maintenance. The temporarily unemployed are unlikely to give up their freedom, even for a time, by resort to these colonies in lieu of relief works; but those who, through temporary want of employment, have suffered physical deterioration and could not therefore earn their wages on relief works, may, after the preliminary period allowed for recovery, be able to earn the right of residence

in the colony. Opportunities are thus afforded to the permanent surplus of becoming capable of employment. The remainder of this surplus is best dealt with by existing agencies. Some members of this class are capable of being reclaimed only by personal effort on the part of those connected with the various charitable and religious agencies. Some, though morally fit for work, are physically incapable of earning a livelihood, yet have no relatives able to support them. Charity, and where that fails a modified system of indoor relief, are best fitted to deal with this class. Those who are morally unfit for work, and whom all other means have failed to reclaim, should be left to the Poor Law. As far as possible it is, however, best that the Poor Law should deal only with this class of persons; but where other agencies fail to do their duty, the Poor Law regulations should be so modified as to allow that this last class of persons should be treated differently from the other two.

Remedies for the recurrence of the above problems.

110. The remedies suggested in the previous chapter for the prevention of the recurrence of the problem of a temporary or permanent surplus are more indirect than

direct. They are, it may be noted, partly found in those remedies which, by eliminating the existing "stock" of unemployed, remove its contaminating influence. They are also to be looked for in the direction of improved legislation; in the growth of education, technical as well as moral and intellectual; in the wiser administration of charity and poor relief; in improved sanitary conditions, and other similar reforms. Such reforms come within the scope of existing agencies, either State, municipal, or voluntary.

Remedy for the disorganisation of industry.

111. The chief remedy for the problem presented by the disorganisation of industry lies, it has been shown, in the establishment of a central Union labour bureau for unionists, and for others in the formation all over the country of an organic system of voluntary labour bureaux.

Practical conclusions.

112. The above investigation into the question of want of employment as a whole leads, therefore, to the following practical conclusions:

(i). Firstly, that the problem is national and not local, and that the question cannot wisely be treated separately in the Metropolis or in any other large town.

(ii). Secondly, that the question, complicated even within the limits of a particular locality, would be practically unmanageable for the country as a whole by any one group of experts, however competent.

(iii). Thirdly, that it is, nevertheless, necessary that the problem as a whole should be *grasped*, though not *dealt with*, by one body. No existing agency has shown itself capable of doing this. A special group of experts is needed, representative of all the different interests involved, and with special knowledge of the different aspects of the problem. This body, with the aid of a competent staff, should be acquainted with the exact extent and nature of the distress at any time in the United Kingdom, and with the attempts to deal with the problem both at home and abroad. Only thus would it be fully competent to form a correct judgment of the problem as a whole. Thus equipped, however, it would be able to discriminate between those sections of the problem that can best be solved by the action of the Poor Law, charitable, and other agencies, and that section of the problem with which no existing

agency is calculated to deal satisfactorily, and which it can, therefore, itself wisely undertake to manage. This would include the establishment of temporary relief works, labour colonies, and a network of labour bureaux. While such a body would itself deal only with the existing "stock" of unemployed, it would be capable of conducting a wise agitation for the whole series of lesser remedies for preventing the recurrence of the problem.

APPENDIX I

APPENDIX on the Report of the Mansion House Committee (appointed 31st October 1893).

Report of the Mansion House Committee.

113. As the Report of this Committee is the most recent statement of the problem of the unemployed from a practical point of view in this country, it appeared advisable to note the main differences between the conclusions adopted therein and those to which I have myself been brought in the course of this inquiry.

General recommendations of the Committee.

114. The recommendations of the Committee have reference only to remedies for existing distress. The chief practical conclusions adopted are :—

(i) That, while the charitable public can best deal with the more thrifty unemployed "of good character," the Poor Law guardians are best fitted to deal with the remainder.

(ii) That no remedy is afforded by any system of relief works, whether carried out by the local authorities or by private agencies.

(iii) That the establishment of labour colonies "for the vagrant, the discharged prisoner, and the lowest grade of labourer in efficiency and character," though "experience has shown this method of relief to be defective," might be tried with advantage.

My inquiry has, on the contrary, led me to believe—

(i) That the interference of the Poor Law guardians is only desirable in the last resort, when all other means of help have failed.

(ii) That a system of voluntary relief works, carried out under certain conditions specified above, *may* afford a remedy for those temporarily out of employment.

(iii) That the establishment of labour colonies of the kind specified in the Report would fail to afford any permanent solution; but that free labour colonies

(so managed as to afford a guarantee of the efficiency of the colonists) could with advantage be formed by voluntary agencies.

115. In section 9, page 7, of the Report, three chief reasons are given for disapproving of any system of "employment relief," viz.— Objections to relief works.

(i) That, looked on as useful work, the work done always costs much more than its market value.

(ii) That for the loafer class it is no better than the Poor Law labour yard; while for the better class it is likely to take the place of that full inquiry as to character and circumstances which is necessary in order to give a man permanent assistance.

(iii) That "such schemes . . . are of all others most likely to be abused. They offer work in the form which exactly suits those who are unwilling to submit to continuous exertion."

Experience has shown that these objections have, generally speaking, applied in the past, but I have been unable to see why they should not be avoided in the future by means of certain

regulations. Thus, if on such relief works payment were given only for the market value of the work done, and if, in addition, such work were obliged to be performed for a stated period each day and for a stated number of days each week (unless for sufficient reason), the work done need no longer cost more than its market value. The expenses incurred by the need for "more foremen and gangers, and more careful discipline" would be to a large extent avoided by some method of piece-work payment. Under these circumstances the "loafer class" would be unlikely to benefit by the relief works, nor would such a system be suited to that class of casuals who are unwilling to submit to continuous exertion. With regard to the statement that such offer of work is "likely to take the place of a full inquiry into character and circumstances," it may be noted that I have already stated above that it would not be desirable that relief should be given without a careful investigation. Relief works afford a remedy for the temporarily, and not for the permanently, unemployed. They would fail in their object unless care were taken that they were used only by the former class.

Relief works adopted at Poplar and West Ham.

116. In section 12, page 8, of the Report, it is stated with regard to the relief works established at Poplar and West Ham (described in section 2) that they are "open to all the evils that experience last year showed to be inseparable from proposals of this kind." The following points of contrast between this plan and that suggested above may therefore be noted in this connection :—

(i) The employment in this case, though paid for in part by voluntary contributions, is supervised by the public authorities. This leads to an increased difficulty in the matter of exercising any discrimination among the applicants for work. This fact, together with that of the works being local and isolated instances, only tends to make the districts where such works are carried on a centre of attraction, from the belief thus encouraged that the local bodies intend to find work for those living there. For the time this danger is avoided by means of the regulation that "no workman who has not been a resident in the borough for at least six months is taken on." But this would not serve to check the immigration which would take place in order to

obtain a corresponding benefit in the ensuing year. The problem of the unemployed must be treated nationally, not locally.

(ii) It is laid down that no workman shall be allowed to work more than half time, and that payment shall be at the rate of 6d. an hour. But it is not stipulated that the workman will be discharged if he fails to earn 6d. an hour, nor that he *must* work half time regularly on pain of dismissal.

Labour colonies.

117. In section 16, pages 9 and 10, dealing with the subject of labour colonies, the Report states that the establishment of such colonies is an experiment that might be tried for certain classes of labour already specified (see *supra*, p. 242). Yet the Report goes on to point out that "the colony is attractive because it offers work upon the land as an alternative to the casual (workhouse) occupations," and that, on the whole, experience has shown that the colony fails to reclaim its members. It would appear, therefore, that such colonies are neither likely to act as an additional force to deter a workman from becoming a pauper, nor to reclaim him when he has once become one. The Report suggests that such a system

should be made part of the Poor Law administration, but it does not show what beneficial results may be expected to accrue from such a step.

Final remedies suggested by the Committee.

118. Finally, with regard to the remedies for dealing with existing distress, two of the Committee's conclusions (given in section 20, page 11) are as follows:—

(i) That relief works, whether promoted by the local authorities or by private charity, are no permanent remedy for the normal want of employment with which we are having to deal every winter, but have hitherto been found to aggravate and perpetuate the evil.

(ii) None of these classes can be permanently benefited by the creation of unremunerative and artificially created work. Their only chance of permanent escape from their unfortunate position lies in the dispersion of their surplus labour from the places where it is congested and unemployable, to places where it is required under the normal conditions of trade.

With regard to these conclusions, I may add that, unless it can be shown that it is *impossible to avoid* the evils which have previously accompanied the establishment of relief works, the first of the above conclusions requires modification. It is not, moreover, claimed for relief works that they offer a *permanent* remedy for the normal want of employment which occurs each winter. They are only said to be a possible temporary remedy, if worked in conjunction with other remedies. With regard to the second of the above conclusions, it may be noted that no distinction is here made between

(*a*) The existence of a *permanent*, or only of a *temporary* surplus.

(*b*) The existence of a *real* surplus, whether temporary or permanent, and that of an apparent surplus due only to a disorganisation of industry.

As we have already seen, the dispersion of surplus labour is only one of the many problems involved in the question of the unemployed.

APPENDIX II

TABLE showing the extent to which Trade Unions provide for their unemployed members[1] (as instanced by the amount of Unemployed Benefit paid by six of the largest Unions in 1891).

Registered number.	Name of Society.	Number of members at the end of 1891.	Amount of unemployed benefit paid in 1891.		Number of members receiving unemployed benefit in any form in 1891 (where stated).
			Out of work.	Travelling assistance only.	
62	Amalgamated Society of Carpenters and Joiners . . .	34,779	£17,689	...	...
402	Friendly Society of Ironfounders of England, Ireland, and Wales . . .	15,291	15,197	...	...
424	Amalgamated Society of Engineers . .	71,221	55,160	...	2233
316	London Society of Compositors . . .	9,350	11,138	...	2031
3	United Society of Boilermakers and Iron and Steel Shipbuilders . . .	36,996	18,127	...	2072
93	Amalgamated Association of Operative Cotton-spinners, Self-actor Minders and Twiners of Lancashire and adjoining counties . .	19,662	17,910	...	...

[1] Details given pp. 410-430 in Board of Trade Report. It may be observed that the total amount paid in out-of-work benefit in 1891 by the Unions mentioned in this part of the Report amounts to nearly £250,000.

APPENDIX III

CRITICAL REVIEW of Parts I. and VI. of the Report issued by the Board of Trade on Agencies and Methods for dealing with the Unemployed.

Reason for the insertion of this Appendix.

IN view of the conclusions at which I had arrived in the course of my inquiry into the problem of the unemployed, I was led to re-examine the opening and concluding parts of the Blue-Book recently issued by the Board of Trade. This further examination only served to deepen the impression I had already formed at an earlier stage in this work of the confusion both of thought and arrangement. That confusion had obliged me to absolutely neglect these passages in the summary already given of the really valuable information contained in this publication, and in view of this neglect it appeared advisable to append a short statement of some of the points wherein these chapters seemed often obscure and sometimes erroneous.

The second section of Part I. draws special attention to the fact that the word "unemployed" is an ambiguous term, and that much of the prevailing confusion with regard to possible solutions for the problem of want of employment arises from "the vagueness which attaches to the meaning of the word 'unemployed'" (p. 7). The Controller-General, in his introductory letter to the Secretary of the Board of Trade, refers to the importance of defining what is meant by the phrase "unemployed." "One is constantly put in doubt," he writes, "as to what the facts really are by the neglect of those who make the statements to define

their terms. . . . It is to be hoped that after this report more care and attention will be given to (this point) in all discussions on the subject" (p. 1). Yet it is indeed difficult if not impossible to gather any precise idea as to the different classes to be included in the term "unemployed" from the section entitled "Meaning and Classification of Want of Employment." Throughout this section no clear distinction is made between a surplus which is merely temporary and one which is permanent, or between a surplus which is general and one which is special, that is, confined to a particular industry or district. It is not that these fundamental distinctions have not been dimly felt. When it is asserted that Mr. Booth's test of the number of unemployed can only be applied "over a given and sufficiently long period of time"; when attention is drawn to the existence of a surplus, in the sense that the labour market would be in a better condition for their total removal,—there is an unconscious contrast between a more or less temporary surplus on the one hand and a permanent surplus on the other. But the four classes of unemployed given on page 9, as a result of the earlier analysis of the meaning of the term, are based on no distinction of the kind. Further, in spite of this difficulty in attaching "any precise meaning to the term 'unemployed,'" the term is continually used as if it did possess a definite meaning. Reference is made to the "*genuinely* 'unemployed' class" (p. 9), to the "*real* 'unemployed'" (p. 8), and this vague use of the term itself is made still vaguer by such sentences as these:—

"They (*i.e.* speaking of the members of a Trade Union who are out of employment) do not, for the most part, constitute an army of men who need to be dealt with as a whole. They are merely the shifting margin who for the time being are out of a job" (p. 7).

"Corresponding to these two conceptions (*i.e.* the conception of the unemployed as the superfluous on the one hand, and the

non-superfluous on the other) emerge the two sets of plans for meeting the evil. . . . Mixed up with plans like these is often a third idea,—that of reclaiming by moral or other influences the industrial 'sediment' which lies below the real body of self-supporting labour" (p. 9).

"Speaking broadly, the line of cleavage, so far as the possibility of effective treatment is concerned, is between the group of unemployed whose reduced physical condition is mainly a result of the loss of work through industrial causes, and those with whom the loss of work is mainly the result of defective personal qualities" (p. 12).

It is difficult to attach any precise meaning to these passages even when taken in their context. Thus, does the permanent surplus of unemployed — comprising, one may assume, the physically, mentally, and morally unfit—constitute an "army of men . . . to be dealt with as a whole"? Why should it be said to constitute an "army" any more than the temporary "army" of unemployed unionists out of work during a period of commercial depression?

The confusion which appears to underlie this section on the "Meaning and Classification of Want of Employment" is also to be traced in the following section on the "General Classification of Agencies dealing with the Unemployed." "Following the classification given in the last section of the different meanings of the term 'unemployed,'" the section states, "the agencies divide themselves naturally into several corresponding classes." The first two meanings of the "unemployed," given on page 2, included :

(1) Those whose engagements being for short periods have terminated their last engagement on the conclusion of a job, and have not yet entered another.

(2) Those who belong to trades in which the volume of work fluctuates (Query, In what trade is the volume stationary?), and who, though they may obtain a full share during each year of the work afforded by their industry (Query, Are the shipbuilding trades, in which the fluctuations extend over a period of about seven years, excluded from this category?), are not at the given time able to get work at their trade.

As these groups apparently include both persons who under ordinary circumstances are out of a job, and those who are unemployed owing to trade fluctuations of a more or less exceptional character, the classification of agencies adopted on pages 12 and 13 does appear at this point to correspond with the classification of the unemployed. But no special reference is made to the agencies dealing with the other two classes of the unemployed, namely, the economically superfluous and the unemployable. Moreover, later in this section, and indeed throughout the body of the Report, the agencies are grouped under the heading "Temporary" and "Permanent."

It may be asked in passing why the Poor Law and the Charity Organisation Societies should be grouped among agencies "which attempt to deal with those who are unemployed owing to trade fluctuations of a more or less exceptional character," and why agencies, such as associations for finding employment for discharged soldiers, etc., should apparently be grouped as temporary only.

The confusion of thought which prevails in these opening sections is even more striking in the concluding summary (Part VI.). On page 10 of the Report it was stated that, "so far as the existence of unemployed persons offered any social problem for solution, *the essence of the problem* consists in the fact that the relation between the supply and demand for any particular kind of labour in any particular place is a fluctuating one." On page 406, in the last paragraph but one, it is asserted that "virtually to exclude the chronically 'unemployed' class" is to leave untouched "*the crux of the problem.*" As the chronically unemployed must presumably be independent of

any fluctuations in the relation of supply to demand, it would follow that the "essence of the problem" is independent of the "crux of the problem." On page 409 it is finally laid down that "the *central difficulty* to be met is not so much the existence of an unemployed class as the economic deterioration of the casually and insufficiently employed." The "central difficulty" is, therefore, also something different from either the "crux" or "essence of the problem."

A similar confusion may be observed in the conclusions drawn with regard to the solutions of the problem afforded by various agencies. Thus, although trade societies are grouped with agencies which *find* work for the unemployed, the author goes on to remark that "the work of trade societies in this direction . . . leaves almost untouched the mass of semi-skilled and unskilled labourers whose unions . . . do not receive sufficiently high contributions to enable them to pay out-of-work benefit." But it would appear evident that the problem touched by the payment of out-of-work benefit is theoretically quite distinct from that touched by the system of finding unemployed members work by means of a "vacant list," etc. The former problem is the prevention of the physical deterioration consequent on casual or insufficient employment (the "central difficulty," according to the writer of this chapter), the latter problem the adjustment of the supply of labour to demand (*i.e.* the "essence of the problem"). A similar want of grasp of the nature of the problem which may be solved by means of labour colonies and relief works is shown in the later sections. Stress is laid upon the facts that—

(1) Use is made of labour colonies by the unemployable rather than by the efficient unemployed.

(2) There is no sufficient evidence that the colonies reform "any sensible proportion of their inmates."

(3) In the suppression of vagabondage the colonies are valuable.

(4) "They do not appear . . . in any great degree to touch the effects of trade fluctuations."

Such conclusions are given without any distinction being drawn between free and penal colonies on the one hand, or between free colonies and those in which careful discrimination is made among the applicants for admission. From the paragraphs on page 407, such conclusions might be supposed to apply to all classes of colonies alike. Such generalisations become still more likely to mislead when in the paragraph at the bottom of page 407 the Report goes on to state that "No English experiments in labour colonies are long enough established for their results to be safely judged, and it is as yet doubtful how far their experience will be materially different from that of the German colonies. If any further projects are started for labour colonies in this country, some disappointment will probably be avoided if it is realised at the outset that their probable tendency will be to become filled with 'social wreckage,' rather than with the reputable unemployed." Why the writer should thus take it for granted that the free colony system will necessarily be adopted in this country in preference to any other does not appear. But such an intimate knowledge of the probable method of dealing with the unemployed problem in this country underlies this summary in other passages. "The Dutch system," it is stated, "is costly in character and limited in scope. It will, therefore, probably be thought inapplicable as a remedy for the evils of want of employment in this country." It is not, however, asserted in this connection that the Dutch system has not been successful within its limited range. It may, perhaps, be observed in passing that it is difficult to see why labour colonies should be supposed "to touch the effects of trade fluctuations." Are we to gather that they are meant to serve as a remedy for the problem of a temporary superfluity, and that they only fail in their object because use is made of them by the permanent surplus?

At the bottom of page 407 the writer adds: "This (*i.e.* the tendency for the labour colonies to become filled with 'social wreckage') does not necessarily imply that they will be failures, because it is this class . . . *i.e.* the class of men who are unable or unfit to guide their own lives in the competitive world, which is the most difficult to deal with effectually. How far free colonies without power of penal discipline or detention are likely to be of much use for this purpose (Query, What purpose exactly?) is a matter open to doubt, and . . . promoters of such colonies would do well to limit their expectations as regards the reformatory effect of their schemes." This passage is indeed obscure. Labour colonies may set out to accomplish one or other of three objects, namely—

(1) The reformation of the "unemployable."
(2) The relief of society from the presence of the "unemployable," apart from the question of their reformation.
(3) The helping of the temporarily unemployed to tide over their difficulties.

As far as the first of these objects is concerned, the writer confesses that but little is to be expected from their reformatory influence. As to the second object, this opens up the whole question of the relative advantages of free and penal colonies. The third object they do not, according to the writer, appear to have accomplished. If some critical estimate is to be formed of the advantages of labour colonies, it would seem at least advisable that these objects should be kept distinct. The final sentence of the passage quoted above speaks of the utility of the colonies for the first two objects as if they were one and the same.

Proceeding to an examination of temporary projects of relief works, a similar confusion exists. It would have appeared a self-evident proposition that the object of temporary relief works was to provide work for those temporarily out of employment. Yet it is asserted here that "for purposes of permanent

reformation or improvement temporary relief works are not likely to be of much use." It may also be asked whether the difficulty of excluding the "loafing and shiftless class" from the benefits of relief works, in order to help the "competent victims of trade fluctuations," is due to the objection on the part of the efficient to mix with the inefficient unemployed.

In the last page of the "concluding summary" the confusion of thought becomes still more bewildering to the practical reader. "The meagreness of the results which either have been achieved or appear possible of achievement in the direction of *permanently assisting the unemployed* (Query, Is the term 'unemployed' here supposed to include the temporary but more or less efficient surplus, as well as the casual labourer and the permanent, because inefficient, surplus?), compared with the amount of effort expended upon them, may seem at first sight disappointing. It is, however, to be remembered that the problem, so far as the *cure* of the effects of want of employment is concerned, is essentially one of arresting decay —a process always difficult and often impossible. . . . By the time the unemployed crowd to the register of the vestry or relief-committee the mischief has, in many cases, already gone too far for remedy. . . . They (may be) supported (by the relief works) for a few days, but they have not been set on their feet. . . . The fact is that the central difficulty to be met is not so much the existence of an unemployed class, as the economic deterioration of the casually and insufficiently employed." This is extraordinary as a final summary of the difficulties attending the unemployed problem. The writer of the earlier sections, convinced that the complicated nature of the problem was to be found in the fluctuating relations between supply and demand, has apparently been led in the course of the inquiry to the conclusion that this problem may be neglected in view of the greater problem presented by the unemployable. The problem, which was at the outset regarded as almost wholly

economic in character, is now regarded as almost wholly moral. These are some of the main points which must strike a careful reader of this astounding summary. As a minor point it seems somewhat ridiculous to state, as the writer does in speaking of temporary relief works (page 409), that "it is possible, of course, to underrate as well as to overrate the utility of temporary assistance. Even if those who receive it (including, presumably, individuals 'prone to idleness and drink') relapse shortly after into their former condition, their suffering has in many cases been mitigated for the time being." All the qualification added to this sentence is: "But against the advantages of all schemes for providing work for the unemployed must be set the grave danger of their tendency to become chronic, and to be looked forward to and counted on every winter, a danger on which it is unnecessary to make any comment."

It is interesting also to observe how the word "unemployed" is used throughout this concluding summary without any explanation as to what classes of men it is taken to include, in spite of the frequency with which attention was drawn in the earlier chapters to the dangers involved in such a course.

In conclusion I may remark that for slovenly thinking and pretentious writing the chapters dealt with in this Appendix have no parallel, as far as I am aware, in the whole range of the literature, professorial or official, on the subject of the Labour Question. I very much doubt whether a parallel can be found in the ephemeral publications which make no claim to serious consideration. It passes my understanding how any one not "inebriated with the exuberance of his own verbosity" could, after committing such matter to writing, have solemnly corrected the proofs, it is almost incredible that the proofs should have passed under any supervision worthy of the name, before being issued to the world as a publication of a large and well-known English Government Department like the Board of Trade.