

(f) *Profit Sharing*.—The fundamental idea in profit sharing is so to modify the wages system, that in addition to actual wages there should be paid to the labourers a proportion of the profit which would otherwise go to the employer. The classical example of profit sharing is the *Maison Leclaire*.

The idea has been adopted to a small extent in this country with varying success. The only satisfactory basis upon which profit sharing would appear to be capable of successful management would be a basis of perfect publicity and mutual intelligence and confidence. These conditions are supremely hard to secure.

(g) *Co-operation for Production (Federalistic) combined with Profit Sharing*.—This is the chief of the rather complicated series of methods of co-operative production. A number of co-operative societies for retail distribution enter into a joint stock co-partnership for the purpose of manufacturing as well as selling. So far there is no practical difference between the enterprise and an ordinary joint stock concern. The dividend to the purchasing society or individual is simply a discount. Some such societies, however, permit the workers in their works to share the profit. The extent to which they do this is sometimes extremely trifling, but the existence of it is evidence of some desire to reward labour according to its product, and not according to the market price of labour force.

(h) *Co-operative Production (Individualistic) with Profit Sharing*.—This method involves, as has been said, the hiring of capital by the workers instead of the reverse, and in spite of many difficulties and drawbacks in the details of the methods proposed, there is an evident tendency in England to give the system a trial. A large number of Societies, founded on this principle, has been established during the past few years. One danger is that the idea might prematurely lay hold of the public imagination and lead to the starting of a number of Societies, whose membership and prospects from the beginning forbid success. Creeping along gradually, as it is doing just now, there is a probability of its ultimately becoming an important factor in the determination of local wages.

(i) *Co-operation for Production and Distribution combined with Profit Sharing*.—An industrial experiment which has been going on since 1860, which has been, within its own limits, extremely successful, and which, as yet, has been followed by no exact imitation, is the *Familistère* at Guise. M. Godin, the founder, set himself to solve this problem of the distribution of the product. He conceived at last that he had determined the economic share due to each contributory in his productive group, and with a sublime courage he set himself to realize his ideal workshop and home. His instructive, though rather passionate work, "*Solutions Sociales*"* is full of valuable suggestion and encouragement. The progress of the *Familistère* during the next twenty years will test the possibility of a great endowed Institution for production being carried on successfully after the founder and his immediate successors have passed away. A colony on the model of the *Familistère* was founded in 1886 amid many preliminary difficulties and discouragements at Sinaloa, inland from Topolobampo Bay, Mexico. The experiment is an interesting one, though it would not be surprising if

* Paris: Guillaumin, 1871.