Advantages of Profit-Sharing.

Profit-sharing has, in most cases, had its advantages, both from the side of him who gives and him who takes—the employer and the employee. The employer gains through having a more devoted, a more efficient, and a more permanent staff than he could otherwise secure, since usually a share in the profits is distributed only to employees who have spent a specified time with the firm.

The employee gains through having a higher wage.* He is also a gainer through the increased industry and self-respect which the feeling of a partnership in the concern gives to him. Most employers insist on their employees speaking of the firm as "we," wisely believing that a man who speaks of his firm as "we" will do more for it than one who says "they" or "the boss." Surely, if the mere word which implies co-operation is of value to a business, the actual thing itself must be of much greater value. The psychological attitude of the wage-earner is of great value to both his employer and himself.

Defects of Profit-Sharing.

The main weakness of profit-sharing is the uncertainty of profits. The efficiency and devotion of employees has, no doubt, much to do with the earning of profits, but even these may fail to earn profits in a bad season, and where no profits are earned none can be shared. The workers will then become suspicious of the employer's good faith, and it is only too probable that the whole profit-sharing arrangement will fall to the ground.

The dominant opinion of the wage-earner to-day is that of the trade union. Now, the union dislikes profit-sharing, as tending to separate workmen from their class and bind them to the employer. It interferes with "class solidarity," interferes, the union claims, with the "manly in-

*Trade union leaders sometimes maintain that profit-sharing firms do not pay the average rate of wages, in which case, of course, no real profit-sharing takes place, so such firms are not considered profit-sharing industries.