

paying out very heavily if it paid \$50,000, without paying the other \$50,000, because the balance sheets always show that you have assets tied up. You cannot always pay profits out in cash that does not exist in that form; so that if you simply say you have \$100,000 to pay out, that is not the case.

Q. I said, after paying depreciation, taking care of all their reserves, and all the money that they can put away for all purposes, they have \$50,000 that they do not know what to do with; do you not think if they divided a larger portion of it among their employees, who earned it for their employers, that this situation of unemployment insurance would not be coming up in Canada?—A. I do not know that that is the place where it is needed. The men might be very well provided for already.

Q. I am interested in one of the largest manufacturing towns according to population in our province, and we adopted, or one of our manufacturers has adopted that principle, and it is working out wonderfully. There are two things you have already mentioned; if a company doing this would raise their employees' wages, it would throw their wages out of accord with the wages of the rest of the employees. Personally I am in favour of high wages; that goes on the surface, but if you are making any line of goods and you are paying one schedule of wages to your employees, and you double your employees up, the other fellow would be out of business, or something else would happen. You have to consider that point?—A. Our method, that of the manufacturers, in distributing extra money to their men, is rather to bonus them for production, to put them on piece work or on a bonus system, so that they earn extra in that way. That does not affect the different rates to the different men. That is the more usual way of doing it.

Q. I am not so keen on that, because that is what Henry Ford is doing, and I think it is going to be in the long run a very great detriment to Canadian labour. After all, you have to help people to build up the country, and you cannot go beyond a certain point?—A. That is the American method we are competing against.

Q. I am anxious to see this system which I have mentioned go into effect in as many provinces as we can get it. I am going to get it into effect in Sherbrooke, if I can. I am afraid of this proposition, having tried it in several other lines. I have been a crank on this subject ever since I have been employing large quantities of labour. We are not taking any insurance (you may think this is a funny statement) because I found that in every case of extraordinary accident the insurance companies do not want to pay, and the man who should get it does not get any benefit; so that the companies I am connected with do not carry any insurance, because we can pay our own men and give them more satisfaction at it does not cost us as much money on that line. I am keen on that point. There are a lot of people who are not as honest as others, and who might take advantage of state insurance.

Mr. BELL (St. John-Albert): The head of one of our firms in St. John is very much interested in the welfare of his employees? They have a participating method of dividing the profits. I have just been wondering whether or not there is any uniform method being employed by these men who employ labour, and whether it does not vary in different industries, with no uniformity?

Mr. HOWARD: In answer to Mr. Bell, we will have to go through that stage. One manufacturer has one scheme, and another manufacturer has another. We will then get to the real thing.

Mr. HEAPS: Mr. Coulter has quoted some figures. I have these figures from the Year Book. In 1917 the total wages paid amounted to \$420,000,000, and in 1924 it was \$420,269,000. On the other hand, I find that taking the cost of commodities in 1917 as 100, the cost of commodities at retail prices was 114.7

[Mr. W. C. Coulter.]