

scheme all workers who had been employed a year or more. One essential feature of Mr. Taylor's plan should be borne in mind, for it constitutes the rock upon which many another profit-sharing experiment has been wrecked; that is, that the sharing of the profits of the business has been a privilege over and in addition to all questions of wages. The wages and salaries paid in Mr. Taylor's mills have always been at least as large as in other concerns of a similar nature. The result has been that even in bad years financially—and there were two years in particular when the profits were nil—no word of complaint has been heard from the workers. This point of making the profit-sharing feature absolutely distinct from the matter of a fair wage for the employees' work is a very important one. It emphasizes the importance as well of Mr. Taylor's own declaration that the employer who only thinks of the plan as a means for making additional profit for himself is likely to come to grief. There is profit from the employer's standpoint; this ensues largely in indirect ways, such as the better results which are bound to evolve from the interests of firm and workmen being identical, in the better class of hands such a system attracts, and so forth. In itself, profit-sharing, as exemplified by such a plan as Mr. Taylor has inaugurated, costs money. But, as that gentleman pertinently remarked, there is more in business, even for a practical business man, than mere dollars and cents; there is the feeling that one is doing some good in the world in the shape of encouraging thrift and happiness among one's workers, and in creating a class of small capitalists who otherwise would have no such chance. Mr. Taylor, we may say, is an idealist, but an idealist who does not for a moment detach himself from plain downright practical business considerations. It gives great satisfaction, therefore, to find that the results of his experiment have been so eminently satisfactory in every way.

The best way to explain the manner in which the division of profits is made is to give an illustration. Thus, if the capital of a firm adopting this method were, say, £100,000, and the wages paid during the year amounted to £50,000, and if the divisible surplus of profit (after allowance for depreciation and the payment of 4½ per cent. interest on capital) were £6,000, capital would be allocated £4,000, or an additional 4 per cent., and labor would be allocated £2,000, representing 4 per cent. on the wages earned. In this way a worker earning, say, £70 a year would receive a bonus from the firm of £2 16s., or 4 per cent. on his wages. As, however, the ultimate aim of the originators of the scheme is not merely to give a bonus, but to interest the workers personally in the company, and, in effect, to transform them into small capitalists, this bonus is given not in cash, but in the shape of fully paid shares in the company. Parts of a pound are carried forward, credited to the worker and added to the bonus of the following year. As the company is constituted as much as possible on the lines of a private firm, these shares are not allowed to be sold to any but employees of the company. Indeed, the great wish and object of the originators of the scheme is that they should not be sold at all. The idea is that the employees should hold their shares, take an interest in their gradual accumulation, and thus, eventually, make the concern one in which every employee is personally interested, from the chairman and the managing director down to the humblest worker in office or mill.

That Mr. Taylor's methods of putting the important principle of profit-sharing by employees into practice were a theme of more than usual interest to the members of the Canadian Club of Toronto was evidenced by the avidity with which many took advantage, after the address, of the permission given them to ask questions. Mr. Taylor's answers to these questions were as full and lucid as the body of his speech had been.

### FINANCIAL REVIEW.

We present below a condensation of the monthly statement of Canadian banks for October, 1905. It is compared with the Bank Statement for the previous month, and shows capital, reserve, assets and liabilities, and average holdings of specie, Dominion notes, etc.

#### Canadian Bank Statement.

	Sept. 1905.	Oct. 1905.
<b>LIABILITIES.</b>		
Capital authorized .....	\$100,646,666	\$100,646,666
Capital paid up .....	83,416,049	83,864,828
Reserve Funds .....	57,098,426	57,493,307
Notes in circulation .....	\$69,831,259	\$76,890,863
Dominion and Provincial Government deposits .....	10,342,048	8,854,210
Public deposits on demand in Canada ..	141,228,177	150,868,116
Public deposits after notice .....	346,232,119	349,822,859
Deposits outside of Canada .....	50,505,691	47,077,167
Bank loans or deposits from other banks secured .....	361,890	323,662
Due to other banks in Canada .....	4,966,864	5,933,696
Due to agencies or other banks in Great Britain .....	5,024,838	6,097,460
Due to other banks in foreign countries ..	2,557,990	1,824,646
Other liabilities .....	11,872,454	10,953,077
<b>Total liabilities .....</b>	<b>\$643,923,351</b>	<b>\$658,645,830</b>
<b>ASSETS.</b>		
Specie .....	\$19,467,981	\$20,157,280
Dominion notes .....	38,734,128	39,254,738
Deposits to secure note circulation .....	3,410,334	3,841,526
Notes of and cheques on other banks .....	21,641,810	27,578,519
Loans to other banks, secured .....	364,448	374,900
Deposits with other banks in Canada .....	6,857,118	8,431,852
Due from agencies or other banks in Great Britain .....	12,178,826	9,212,549
Due from banks or agencies in foreign countries .....	22,414,377	19,849,856
Dominion and Provincial Government securities .....	8,777,701	8,356,672
Other securities .....	60,269,275	59,493,371
Call and short loans on bonds and stocks in Canada .....	45,914,453	48,164,851
Call and short loans elsewhere .....	58,639,592	62,280,939
<b>Total assets .....</b>	<b>\$298,670,043</b>	<b>\$306,997,047</b>
Current Loans in Canada .....	\$443,011,879	\$450,413,017
Current Loans elsewhere .....	27,460,465	29,125,309
Loans to Dominion and Provincial Governments .....	1,345,494	1,622,714
Overdue debts .....	2,008,935	1,836,042
Real estate .....	643,105	652,566
Mortgages on real estate sold .....	528,948	524,817
Bank premises .....	10,914,023	11,059,303
Other assets .....	10,651,978	9,569,048
<b>Total assets .....</b>	<b>\$795,235,045</b>	<b>\$811,800,039</b>
Average amount of specie held during the month .....	19,292,899	19,266,175
Average Dominion notes held during the month .....	38,369,563	38,468,630
Greatest amount notes in circulation during month .....	70,619,102	78,464,648
Loans to directors or their firms .....	8,615,388	8,665,792

The activity in bank returns reflecting interest is, of course, which has increased. This increase is accounted for by the West began a larger increase on 31st August the against \$11,999,000 of 1904. The growth during the month is nearly the legal limit by this time next year. Ital will be required by the banks, the Bank of Nova Scotia, and amongst them, a total, and there is a circulation limit. At the time the issue has the year, and by the have turned, which in uary will probably of the banks' profits.

In public domain been an increase during the year. The crease is probably appear in the course after notice have in tember, as compared October last year in the West may some improvement good crops will rather than increase all goes well, which plus, but this will under crop. In the West, indicate that ploughing, although is the case.

Deposits outstanding at \$47, in September. growth of \$14,700 last five years the

1901 .....  
1902 .....  
1903 .....  
1904 .....  
1905 .....

Turning to find that \$1,200 serves during the \$59,411,000, or 9 year ago the bank to 9.1 per cent. on other banks at end of September. A similar increase occurred October, \$25,357 considerable extent other banks being up to their circulation caught short of