tion of profits between laborer and capitalist, and this distribution must be effected in such a manner that it will in no way be conducive to improvidence on the part of the workman, but rather be productive of thrift, energy and self-respect, while it must not in the least cripple the productiveness of capital. As already indicated, various solutions of this complex problem have been proposed. Some are elaborate, socialistic theories which look well on paper and sound well from the rostrum, but which have failed to furnish satisfactory proof of their practicability and which under present conditions seem impossible of realization.

Co-operation has likewise been proposed as a solution, and although it has given promising results in some of its trials, still awaits further proof of its ability to adjust all the factors involved. Profit-sharing also presses upon us for our earnest investigation and consideration of what it has done and promises to do, in bringing about a satisfactory adjustment of the difficulties that exist between capitalist and laborer.

Profit-sharing—the participation by the workman in the profits which he co-operates in producing—was first systematically and successfully applied in France by Edmond Jeau Leclaire, the proprietor of a large house-painting establishment. Leclaire was a self-made man who had himself risen through difficulties and having reached a position of competence, desired to elevate and help others. He was so influenced by the remark of a friend to the effect that nothing short of participation by the workman in the profits of the undertaker, would permanently reconcile employer and employee, that he devoted seven years to laying plans for the carrying out of this idea. In 1842 he introduced a system of participation, which, with some modifications, he continued until his death. During the thirty years in which he carried on his house-painting business according to this system, he gave in bonuses £44 000, and accumulated a private fortune of £48,000. Both of these amounts he considered had been realized by the increase in profits due to the application of profit-sharing to his business. The business was continued on the same lines after his death. Leaving out of the question the Mutual Aid Society, which is not at all essential to profit-sharing, we find that the managing partners receive salaries for superintendence, and interest at five per cent upon their capital, as well as one quarter part of the net profit remaining after interest and cost