

from small proportions to a business employing nearly a hundred hands, and from a market limited to our own province to one embracing the whole Dominion.

We are probably all dependent on this business, while we are engaged in it, for our means of livelihood, and in its success we all are, or ought to be interested.

Many, I may say most, of our employees are faithful and careful; some could hardly be more so if the business was their own; and yet, despite this fact, I see that much is wasted, and much more care and economy could be exercised. It is my purpose to offer you to-night such an inducement as will encourage you to put forth your best efforts, and which, I trust, will be to our mutual advantage.

Briefly stated, my plan is to share with you the profits of the business; and then on every dollar you save or make, a share will go into your own pockets. The man who saves a foot of lumber where it now goes into the fire, will save something for himself. He who saves an ounce of bristles will add to the profit of all. The girl who is saving of stock and wire will do the same. The broom-maker who saves two pounds of stock in a day will have saved a month's wages in a year; and so I might go on enumerating the saving that may be made in stock, tools, machinery, oils, nails, tacks, twine, paint, gas and a hundred articles that will suggest themselves to you, but to further enumerate them is unnecessary. Also, by improving your workmanship, which already is of high order, a larger sale at better prices may be secured. Now, as to the details of the plan. The management of the business will remain as heretofore, in my own hands, and the system of wages will be the same. As you will have no voice in the management, so you will not be called upon to share the losses. Should there come a year with no profit, your wages will be paid the same as usual. If the capital should become impaired, no profits will be shared until that amount is made up.

Capital will be paid interest at six per cent per annum. A salary will be paid for management. A percentage will be allowed for depreciation in plant; a small percentage will be allowed for a sinking fund, and also for an invalid fund.

After providing for the above, the profits will be shared in an equal percentage between capital, salary for management and wages. This will apply only to those who have been in the employ of the firm at least ten months when the profits are divided.

You will have the privilege of appointing two of your number, pledged not to divulge any facts that in the interest of the business ought not to be made known, who can inspect the accounts, and see that the above agreement is faithfully carried out; or, if found desirable, a public auditor will be employed.

This agreement is entirely voluntary on my part, and after the first year will be continued or discontinued, or modified, as in my judgment will be for the best interest of the business.

Your dividends will be paid in cash, but the suggestion is offered that you deposit the whole or a part with the firm, for which certificates of deposit will be given and interest allowed at the rate of six per cent per annum.

Let us try this plan, with the determination on the part of every one that it shall be made a success; and I am satisfied, if we all enter into it heartily, that the close of the year will find us all in a better condition financially, and the effect will be felt in more cordial relations one with another, and also habits of economy and thrift stimulated, which will benefit us in many ways.

This proposition seems exceedingly fair and generous, and from the well known benevolent disposition of Mr. Simms' firm, the kindly feeling with which he is regarded by his employees, and judging by the faithfulness so many of them have observed for so long a time in his employ—some of them for twenty years—there can be but little doubt that this important move will be entirely successful.

Profit sharing has been adopted by quite a number of manufacturing establishments in the United States, particularly in the New England cotton mills, the initiatory having been taken, we believe, by the N. O. Nelson Manufacturing Company, of St. Louis, some six or seven years ago. This sort of co-operation has taken a firmer hold in France, where it originated, than in any other country; and there are quite a number of systems of such co-operation.

The systems of profit-sharing among the employees who do not invest in the business are many. Some firms provide first for the interest on capital and give the workmen a large share of the balance. Some divide the net profits without first providing for interest on capital. In the latter case the proportion allowed to labor is of course much less than in the former. The method of division depends also on the nature of the business, as in some the capital required is much larger in proportion to the amount paid in wages than in others. Then there are many ways of paying the share that goes to the employees. Some pay in cash the whole allowance to labor. Some pay a part and deposit the balance for a retiring allowance. Some pay part cash and deposit part. The firm of Barros, Tassart & Balas, allow the workmen five per cent. of the net profits—half in cash, the other half for a provident or retiring fund. This has given the employees an average addition of over ten per cent to their salary. Besselièvre's cotton factory, on the Lower Seine, shares profits with all that have been in the employ more than five years. These have received a bonus of from \$30 to \$75 each annually, or from seven to seventeen per cent. increase in their wages. The great Bon Marche system of stores in Paris has been dividing profits since 1880, when Madame Boucicault, the proprietor, took ninety-six employees into a sort of partnership. The General Transatlantic Steamship Company divides profits with all the employees from the manager to the cabin boy. The Co-operative Paper Company, of Angoulême, divides the profits generally, allowing something for capital, something for intellect and something for labor. The men are encouraged to invest their shares in the business, and in 1885 the employees' shares in the establishment amounted to \$269,000. There are a few instances in which the whole body of workmen have, by investing their shares of the profits, become the principal owners of the business. The first firm in France to adopt the system has been one of the most successful. It is a house painting, glass tinting and decorating firm in Paris. The nature of the work is such that the faithfulness and carefulness of the employees counts for much. M. Leclaire, who wanted to begin the system in 1842, was handicapped by the Government, which persisted in thinking that his propositions involved danger to the institutions of the country. In due time he got his project under way and it worked well from the first. Men now in the employ of the house have acquired a large interest in the business. The provident fund from which retiring allowances, pensions to widows and allowances to orphans are paid amounts to nearly half a million dollars. The retiring pension after twenty years' service is \$240. Widows and orphans get \$120 a year each, until the children are of age. There is a sick allowance, and the remaining share of the profits affords each good man some \$80 a year bonus. The instances cited are among the more successful. Some have failed to meet the