

steadily reduced until in 1926 the high and low points of employment as measured by the payroll varied hardly 8 per cent from the average for the year.

This regularity of work is not only of vital importance to employees but it has a far-reaching influence on good business.

Even with good wages and steady employment the working man is likely to lack one factor essential to his fullest efficiency and greatest interest in the company by which he is employed.

This factor is ownership. A sense of proprietorship affords a powerful incentive to arouse interest in the performance of work. This principle has been the motivating influence of those who have been willing to take the risk incident to the building of all business. Its application to the wage earner in industry is relatively new, yet nowhere is the wholehearted interest of human beings so necessary and vital to successful accomplishment.

I think it is significant that that report was considered by the Financial Federation of the Montreal Council of Social Agencies and the Board of Directors, and it was accepted by the Board of Directors of the Financial Federation, which includes all these men, before it was submitted to the public.

*By Mr. Neill:*

Q. Are you putting this whole report in as an annex?—A. That is for the Committee to say?

(The following is the report above referred to.)

#### REPORT OF BOARD OF DIRECTORS TO THE SIXTH ANNUAL MEETING OF THE MEMBERS OF THE FINANCIAL FEDERATION OF THE M.C.S.A.

LADIES AND GENTLEMEN.—We have pleasure in presenting to you the report of your directors for the twelve months ended December 31st, 1927, which completed the fifth full years' operations of the Financial Federation.

##### FINANCE

The reports of the honorary treasurer, the budget committee and the campaign chairman will supply you with detail of every phase of the financial operations and financial position of the federation.

It will be sufficient to point out to you that the net cost of operation of federation, which includes the entire cost of the campaign and the cost of administration throughout the year decreased from 3.0 per cent in 1926 to 2.65 per cent in 1927. When it is remembered that at the inception of federation it was promised that the cost of operation would be kept to 5 per cent you will see how successfully your directors have kept this promise. The decrease in 1927 was made possible by a substantial appreciation in the value of the bonds purchased with the cash received at the time of the campaign.

Before federation many agencies found themselves continuously in the position of having to pay interest on overdrafts to their banks. Since federation in the five years ended December 31st, 1927, the interest earnings and net profit on sale of securities purchased have amounted to \$59,314. In 1927 the interest earnings and profit on sale of securities amounted to over 50 per cent

[Mr. Howard T. Falk.]