

Search has been made for the causes of the objections to profit-sharing shown in (c) and (d). Mr. Clynes considers that the objections would be largely removed if the workers were given a share in the management or appointed to a consultative committee; he lays great stress on this, because of the necessity of the workers knowing something about the scheme under which they are expected to work. Moreover, he states, many of the firms that have tried profit-sharing have really courted failure because they have not drawn up satisfactory conditions—for example, some would merely pay a certain sum to their employees at the end of the year, apparently as a gift or gratuity, instead of entering into a definite business arrangement with the employees; in some cases the workers were not even given the benefit of an auditor's certificate. He states that naturally the men are at first suspicious of any scheme that is put before them, hence the necessity of giving them a share in the management or, at all events, consulting them. It is also pointed out that in some instances, where strikes have taken place notwithstanding the existence of profit-sharing schemes, these strikes have been due either to outside causes or to a fault in the profit-sharing scheme as adopted.

It might be suggested as a further objection that the surviving or successful schemes are in those industries where a monopoly exists, such as in gas-manufacturing. That this is apparently not the case is shown from the following table:—

Gas undertakings	..	..	..	..	..	..	..	36
Merchants, warehousemen, and retailers	..	..	..	..	..	..	..	25
Textile trades	..	..	..	..	..	..	..	17
Food trades	..	..	..	..	..	..	..	16
Metal, engineering, and shipbuilding	..	..	..	..	..	..	..	19
Printing, &c.	..	..	..	..	..	..	..	13
Chemicals, soap, oil, brick, and other like trades	..	..	..	..	..	..	..	13
Miscellaneous (including agricultural, 8; building, 3; clothing, 5; paper, 4; transport, 2; banking and insurance, 5; and others)	..	..	..	..	..	..	..	43

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The English Report on Profit-sharing and Labour Copartnership (1919) reports that the pecuniary results of profit-sharing have been considerable, although the system should be regarded not so much as a device for bonus-producing as one to develop the sense of community interest between employer and worker by giving the latter an insight into the problems of the employer, and some control over his conditions of employment.

Many workers may not wish to carry on their employment under a system of profit-sharing, preferring to work for a fixed wage and so to know exactly what they will have to live upon. In such cases there is, of course, no need to interfere with the present arrangement. It seems obvious, however, that under proper precautions against undue speeding up and exploitation of the workers an enormous benefit should result not only in increased output and in general prosperity, but—what is perhaps more important—the fact of their having greater interest in their work would tend to re-establish pride of craftsmanship and a sense of responsibility, and these alone would result in an entirely improved mental attitude on their part. This is especially necessary in view of the growing need of the higher physical and mental efficiency of the nation as a whole to enable it to compete with the activities in this and other directions of the nations of the world.

Some interesting experiments have been tried in New Zealand itself, one of which appears to be very generous on the part of the owners. In this case the representatives of the workers have full access to all the books of the company, and thus know the actual capital, the amounts paid into reserve, the total profits, and so on. Moreover, the profits above a certain percentage are divided amongst the workers, the employers being content with the maximum interest referred to. This company does not attempt to deduct what might be called the workers' share of any loss that may occur in any year from the share of the profits of subsequent years, although it would appear to be quite reasonable to make a deduction in such cases. The system has not yet been long in operation, but it is stated that the workers and the committee are thoroughly satisfied with the *bona fides* of the system.

Another interesting example is to be found at a sawmill in the Waikato district. The employers have brought into being a system of sharing profits, and so far the system appears to work well. We are informed that the result is that the mill is possessed of the best workers in the district, and they appear contented. The management also state the result is quite satisfactory to the company.

Regarding the appointment of representatives of the employees to take a share in the management of the business in which they are engaged, this has, it is reported, been adopted to some extent in Germany and other countries, and is part of the Whitley Council system now in vogue to some extent in England and elsewhere. Supporters of the proposal point out many useful functions that could be exercised by a committee representing the workers and the employers. Many valuable suggestions of a practical nature would be made for improving methods of working, for removing causes of friction, for industrial training and industrial research, for the regularization of employment, and so forth.