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public administration, central or local, drawing continuous inspiration from scientific thought, is a question which we are not disposed to answer optimistically. So long as the public regard men of science as harmless cranks or, alternatively, witch doctors, their political representatives will do the same. The war has given wider currency to the witch doctor view and modified the harmless crank hypothesis, but no other change is obvious. M.G.

5.—*Profit-sharing in the United States.* By Boris Emmet. Bulletin of the United States Bureau of Labor Statistics. Whole number 208. 188 pp., 8yo. Washington: Government Printing Office. December, 1916.

Profit-sharing as defined by the International Co-operative Congress, held in Paris in 1889, *i.e.*, as confined to plans under which distributions of specified proportions of the net profits of the enterprise are made to at least one-third of the total employed, does not appear to have reached any considerable proportions in the United States. The number of such plans known to be in operation in 1916 did not exceed 60. Over two-thirds of these had been in operation less than ten years, and of these 21, or more than one-third of all, were put into effect in 1914, 1915, and 1916. Full particulars have only been given with regard to 34 establishments with 13,928 workpeople participating in the division of profits.

The Report gives an analysis of 12 typical profit-sharing plans. Of these, the most interesting to English readers is Plan No. 5, described on pp. 37-44, in which a theory advocated by the late Benjamin Jones, but never so far as we have been able to ascertain applied in the United Kingdom, has been adopted. Not capital, but the interest on capital—the “wages of capital”—under this system shares at the same rate per pound as the wages of labour. On p. 14 the results of the two methods are contrasted. Assuming that the total capital invested in an undertaking during a specific year is \$500,000, that it is understood that the fair interest on the same is 6 per cent., that the amount paid out in wages is \$100,000, and that the amount of available divisible profits is \$120,000, the share of labour on the ordinary method (with the ratio of total capital to wages as a basis) would be \$20,000, and that of capital \$100,000. With the ratio of interest on capital to wages as the basis, the share of labour would be \$92,300 and that of capital only \$27,700. In the establishment in which the latter system has been adopted 113 out of 161 employees participated in the profits in the last year included in the returns (1914), and received a dividend amounting to 90 per cent. of their earnings. In 1906 the dividend on wages was as high as 120 per cent.

The Report also deals with a selected group of limited profit-sharing plans, the basis of selection being the relatively large (for profit-sharing plans) sphere of application, the greater part of the plans examined extending their benefits to the bulk of the executive, administrative, and supervisory employees, and in some instances also to a part of the higher paid employees of the manufacturing

force. In this section the working of five typical limited profit-sharing plans is analysed.

The consideration of various bonus plans, commonly known as profit-sharing, occupies the latter half of the volume, the main interest of the plans described lying in the factors which determine the bonuses to be distributed and the conditions which determine participation. Plan No. 2, described on pp. 94-122, is the most distinctively American, most of the rules and regulations, as well as the results described, concerning chiefly the manual and mechanical workers, many of whom are of foreign birth and unable to speak the English language. "It is the opinion of the Company that the "employees of the commercial and clerical occupations, who mostly "are native Americans with some education, need not be told how "to live decently and respectably." The essential principle guiding the distribution of bonus under this plan is that the largest proportion of earnings is to be given to the lowest paid workers.

C.E.C.

6.—*Economic Conditions, 1815 and 1914.* By H. R. Hodges. 91 pp., small 8vo. London: George Allen and Unwin, 1917. Price 2s. 6d. net.

"In 1815," the author of this little essay, which has won the Reitlinger Prize in the University of London, writes, "the country, "with the rest of Europe, awoke from a nightmare of war." "In "1914, Europe entered into a second and more terrible nightmare, "in which England is more involved than in the previous case." There is therefore an opportuneness in its publication, and in comparisons drawn between the beginning and the end of the eventful century comprised, although the book was written "before the effects "of the war (apart from the confusion at its outbreak) on the national "welfare had begun to be felt, or their significance realised." After an Introduction, the author deals in successive chapters with the four important topics of population, finance, occupations and remuneration. Figures and graphs are, so far as we can judge, correctly handled and appropriately employed; and the running commentary supplied is apt and lucid. In the matter of population, for example, the conclusion is reached that, "while in 1801-11 the "urban population was growing no faster than the rural," from the latter date a "process of urbanisation" began and continued during the century "at a great rate," until at the present day "the proportion of persons in England and Wales living under urban "conditions" is 78 and of those "under rural conditions" 22 per cent., but nevertheless "in places (the most urban areas) urbanisation has now reached saturation point." In the final chapter it is declared that to turn from the "great improvements of the "century in the economic condition of the people" to the "actual "achievements" "creates at first a hopeless feeling." That is founded on the comparison between "so much progress and so "little satisfaction." But the answer is that "men compare" their state, "not only with that of their forbears," or their "neigh-