

Business failures in Canada and the United States.

Bradstreet's review.

Bradstreet's review of failures in Canada and the United States in 1908 shows the number to be 15,759, out of a total in business of 1,606,688. The record is for individuals, firms and corporations in mercantile, banking and financial occupations whose failure resulted in a loss to creditors, and is exclusive of professional men, farmers, stockbrokers and real estate dealers. In Canada the number of failures was 1,715 out of a total of 118,875 in business or 0.14 per cent, and in the United States the failures were 0.94 per cent of a total of 1,487,813 in business.<sup>1</sup> The previous three years show a percentage of failures in Canada of 0.12 in 1907, of 0.11 in 1906 and of 0.12½ in 1905, compared with 0.71 in 1907, 0.67 in 1906 and 0.74 in 1905 in the United States. The following table shows the assets and liabilities of business houses which failed in Canada and the United States in the four calendar years 1905-1908 :

Year	Canada		United States	
	assets	liabilities	assets	liabilities
	\$	\$	\$	\$
1905.....	6,584,191	13,879,700	65,037,985	121,771,942
1906.....	4,305,076	9,450,093	63,146,329	127,173,492
1907....	5,276,698	11,735,272	287,967,944	383,711,658
1908.....	7,770,207	17,582,304	168,438,090	295,901,940
Totals....	23,936,172	52,647,369	584,590,348	928,559,032

The ratio of assets to liabilities in Canada was 1 to 2.11 in 1905, 1 to 2.19 in 1906, 1 to 2.22 in 1907 and 1 to 2.26 in 1908; in the United States the ratio was 1 to 1.87 in 1905, 1 to 2.01 in 1906, 1 to 1.33 in 1907 and 1 to 1.77 in 1908. Of the 1,715 failures in Canada in 1908, 312 were due to incompetence, 740 to lack of capital, 101 to fraud, 56 to neglect, 48 to inexperience, and the rest to failures of others, unwise credits, extravagance and specific conditions; whereas out of 14,044 failures in the United States in the same year 3,030 were due to incompetence, 4,804 to lack of capital, 1,606 to fraud, 299 to neglect, 574 to inexperience and the rest to the other causes mentioned above. More than one half of the failures in both countries (57.3 p.c.) had less than \$5,000 of liabilities, and the figures indicate that the chief strain came upon traders who had over \$5,000 but less than \$20,000 liabilities.

Dun's review. Dun's review gives the number of commercial failures in Canada in 1908 as 1,640, with assets of \$12,208,113 and liabilities of \$14,931,790; and in the United States as in number 15,690, with assets of \$146,199,325 and liabilities of \$222,315,684,

<sup>1</sup> Bradstreet's statistics for Canada include those of Newfoundland and the French islands of St. Pierre and Miquelon.