

regarding the question of some control of quasi-public corporations had been under the consideration of the Minister of Justice for several months. It is a subject, said the Premier, which is by no means free from difficulties. "At the same time," he added, "there is a good deal of force in the suggestion that there ought to be control over some companies at least, particularly those that are performing quasi-public functions."

These matters will keep busy those Cabinet Ministers who mark the charts of Canadian finance. There are also other important questions in this direction for consideration. One is the desired inclusion in the British Trustee List of Canadian provincial securities. This matter has been persistently advocated by *The Monetary Times* for several years. We have the assurance of the provincial premiers of the Dominion that they will be pleased to take co-operative action to gain entrance to the Trustee List. The next move awaits the pleasure of the Dominion Government.

There is room, too, for improvement in the insurance department at Ottawa. When companies are in bad condition, the Insurance Department is too prone to follow, with a tear in one eye and official dignity in the other, the meanderings of the corporations, instead of showing authority and putting a stop to what are not the best of practices. We do not advocate the dramatic methods of the State insurance departments in the neighboring Republic, but feel that a little more life might be shown by the Ottawa department to the benefit of policyholders, shareholders and investors.

A QUESTION REPEATED FOR SIR RODOLPHE

We ask again whether Sir Rodolphe Forget considers, in view of the recent publicity respecting his bank and other enterprises, that it is good taste for him to remain as a member of the parliamentary banking and commerce committee, which shapes the financial legislation of this country?

BUSINESS FAILURES

The statistics of business failures published by the mercantile agencies will repay analysis by our business men. Bradstreet's have just published a record of failures in Canada and the United States during 1912, and they reveal some excellent morals. The accumulated experience of many years has been shown by Bradstreet's to demonstrate that the large majority of failures occur because of the deficiencies of the traders themselves, rather than because of the influence of happenings beyond their immediate control. Eight leading causes are grouped under the first heading, while only three are credited as existing apart from the individuals themselves. These causes class as follows:—

- A.—Due to faults of those failing—
 - Incompetence (irrespective of other causes).
 - Inexperience (without other incompetence).
 - Lack of capital.
 - Unwise granting of credits.
 - Speculation (outside regular business).
 - Neglect of business (due to doubtful habits).
 - Personal extravagance.
 - Fraudulent disposition of property.
- B.—Not due to faults of those failing—
 - Specific conditions (disaster, etc.)
 - Failure of others (of apparently solvent debtors).
 - Competition.

In 1912 80.3 per cent. of the number and 80 per cent. of the liabilities were attributed to the shortcomings of those who failed, while 19.7 per cent. of the failures and 20 per cent. of the liabilities were consequent on

causes beyond their control. The similarity of the percentages in each case is one feature of the statistics which sets the year apart as one in which the individual himself was found to be the main source of the ill fortune attending his business venture. In 1911 78.9 per cent. of the failures were charged to the individual, while 21.1 per cent. proceeded from the outside. In 1910 the proportions were 82 and 18 per cent., respectively; in 1909 they were 81 and 19 per cent., and in 1908 they were 77.5 and 22.5 per cent., respectively.

The following statistics show the record of failures in Canada for the past two years. Considering the large number of companies in operation and their immense capitalization in the aggregate, the list is small:—

Failures due to	Number		Assets		Liabilities	
	1912	1911	1912	1911	1912	1911
Incompetence.....	214	226	\$1,121,328	\$1,317,774	\$2,815,349	\$2,471,289
Inexperience.....	67	41	204,761	93,032	435,468	200,851
Lack of capital.....	660	691	2,784,605	2,930,854	5,660,668	6,249,820
Unwise credits.....	17	12	148,524	82,250	204,744	130,244
Failures of others.....	12	16	77,967	117,125	65,510	188,023
Extravagance.....	11	12	29,460	308,000	311,333	417,500
Neglect.....	56	58	172,871	183,610	377,384	352,729
Competition.....	13	15	39,538	33,699	78,958	74,150
Specific conditions.....	168	204	659,019	780,504	1,081,139	1,314,887
Speculation.....	6	13	23,800	123,600	53,600	406,488
Fraud.....	88	113	349,802	469,883	1,271,129	1,300,757
Total.....	1,312	1,401	\$5,611,675	\$6,420,331	\$12,355,282	\$13,086,946

Nineteen hundred and twelve was the most favorable in five years in Canada, both as regards failures and liabilities, and there the individual was charged with the responsibility for 85.3 per cent. of all failures. Lack of Capital is the Dominion's besetting business trouble, with 50.3 per cent. of all failures charged to it, as against 16.3 per cent. due to Incompetence, 6.7 per cent. resulting from Fraud, 5.1 per cent. produced by Inexperience, and 4.3 per cent. attributed to Neglect, Specific Conditions, Fraud, Speculation, Extravagance and Competition were less in their effects than in 1911, while the other personal causes were more hurtful. Specific Conditions were credited with 12.8 per cent. of all failures, as against 14.6 per cent. in 1911. As regards liabilities, Lack of Capital, with 45.8 per cent. charged thereto, compares with 47.8 per cent. in 1911, and Specific Conditions were also less hurtful; but Incompetence, with 22.8 per cent. in 1912, as against 18.9 per cent. in 1911, was more hurtful, as was Fraud, with 10.3 per cent. in 1912, as against 9.9 per cent. in 1911, and Inexperience, with 3.5 per cent. in 1912 and 1.5 per cent. in 1911.

SMALL CHANGE

- R. & O.—Rodolphe and Ousted.
* * * *
- Ottawa's Hansard looks like a financial paper this session.
* * * *
- In talking of the kernel of the matter, do not overlook Samuel Hughes.
* * * *
- The bathtub trust has been fined \$51,006 at Detroit—a pretty good scrub down.
* * * *
- The ice jam at Niagara is about the only brand Dominion Canners does not handle.
* * * *
- Canadian municipal ears are nearly deafened with the chorus that they must pay more for money.
* * * *
- The incendiary who burns icehouses in Michigan must have complete faith in his business.
* * * *
- Taft vetoed the Immigration Bill and now the United States Senate has vetoed Taft of the same ilk.
* * * *
- The Atlantic cables are bent with weight of those pessimistic messages to would-be Canadian floaters in London.