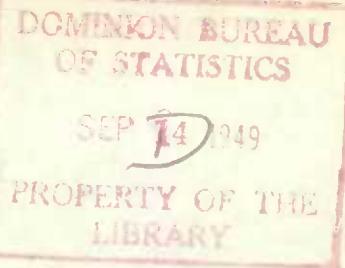
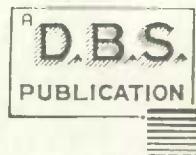


Historical File Copy

61 002 Government of Canada



**COMMERCIAL FAILURES
IN THE
SECOND QUARTER
1949**



DOMINION BUREAU OF STATISTICS
DEPARTMENT OF TRADE AND COMMERCE

COMMERCIAL FAILURES
IN THE
SECOND QUARTER
1949

Published by Authority of the Rt. Hon. C. D. Howe
Minister of Trade and Commerce

Prepared in the Business Statistics Section,
Dominion Bureau of Statistics, Ottawa

CANADIAN FAILURES UNDER THE PROVISIONS OF BANKRUPTCY AND WINDING

UP ACTS IN THE SECOND QUARTER OF 1949

Commercial failures in the second quarter of 1949 rose to 230, a larger number than in the same period of any year since 1941. Although reaching an eight-year high for the second quarter, failures were considerably lower than in the similar period of pre-war years, comparing with 346 in the total for April, May and June, 1939. Concerns failing showed an increase of 3.6 per cent over the second quarter of 1948 when the number was 222 and may be compared with 146 and 59 for the years 1947 and 1946, respectively.

Compared with 270 for the first quarter of this year, a decline of 17.4 per cent is noted. This drop suggests the recurrence of the pre-war seasonal pattern when the first months of the year normally led all others in failures, following a close appraisal of business operating results for the preceding year.

The liabilities of defaulting firms in the second quarter amounted to \$4,530,000, greater than in the same period of any year since 1935, and a sharp rise from the second quarter of 1948 when they totalled \$3,717,000.

The First Six Months of 1949.

Failures in the first half of this year were the highest for the period since 1941. The total was 500 compared with 555 in the first six months of the year quoted for reference and with 717 in the same period of 1939. The decline in failures since 1941 was continuous year by year until 1946 when the low point of 113 was reached after which the trend showed a marked upward movement.

Keener competition is now forcing out of business many concerns which entered the field during the period of post-war prosperity with limited financial reserves.

The estimated liabilities in this period amounted to \$8,725,000 a gain of 22.5 per cent over 1948 and the highest for the first six months of any year since 1934 when the economy was just starting to recover from its lowest levels. The average liability per defaulting firm was about four per cent greater than in the same period last year.

Commercial Failures by Areas

During the first six months all areas except Ontario showed increases in failures as compared with the first half of 1948. There were eleven failures in the Maritimes as against six last year. Quebec showed an increase of 57 to record a post-war high of 380, while the number of failures in Ontario declined from 67 to 59 in the same comparison. In the Prairie Provinces 17 firms defaulted compared with 12 in the preceding year and failures in British Columbia nearly doubled when 33 concerns were declared bankrupt in the first half.

Failures by Branches of Business

Nearly all branches of business showed increases in failures in the first six months as compared with the same period last year. Trade and manufactures were up 14 per cent and 21 per cent respectively in number of bankruptcies and the primary industries, taken in total, increased from nine to twelve. Failures in construction totalled 40 compared with 37 last year and transportation was up from 16 to 23. Whereas there were no failures during the first half of last year in finance, there were 10 reported for the first six months of 1949. An increase of 21 per cent was noted in services when bankruptcies totalled 92 as compared with 76 in the same period last year.

Table 1. Number of Commercial Failures in Canada
1923 - 1949

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1923	387	355	368	324	291	271	149	242	320	200	259	242	3,408
1924	291	260	223	180	179	147	155	129	153	184	219	199	2,319
1925	270	162	198	162	160	145	131	134	151	142	163	177	1,995
1926	186	144	136	131	124	145	140	121	132	178	165	171	1,773
1927	192	143	164	130	131	138	121	147	128	184	187	176	1,841
1928	197	188	164	138	148	133	139	142	165	200	193	230	2,037
1929	269	197	180	174	185	148	149	137	151	176	176	224	2,166
1930	261	205	201	194	166	178	169	159	192	216	222	239	2,402
1931	240	188	178	175	163	165	152	155	165	226	213	196	2,216
1932	238	221	208	190	204	179	175	188	193	199	229	196	2,420
1933	216	214	192	184	175	158	142	150	155	144	155	159	2,044
1934	153	140	140	141	132	115	122	103	113	130	119	124	1,532
1935	107	130	124	107	101	109	110	94	98	115	107	112	1,314
1936	104	131	103	100	91	100	104	87	88	94	94	102	1,198
1937	82	92	85	83	95	101	91	96	102	105	94	100	1,126
1938	104	107	107	85	97	107	81	91	108	99	132	101	1,219
1939	127	130	114	126	111	109	117	119	107	121	100	111	1,392
1940	124	107	100	108	110	102	105	86	65	70	99	97	1,173
1941	102	100	92	94	83	84	72	78	67	71	86	79	1,008
1942	84	76	67	65	53	54	58	56	49	59	67	49	737
1943	40	39	51	45	27	36	36	35	31	28	27	26	421
1944	36	28	30	21	23	17	16	19	22	23	32	10	277
1945	35	34	14	23	19	22	22	15	18	26	31	13	272
1946	20	14	20	21	18	20	25	14	25	36	30	35	278
1947	33	41	46	54	47	45	45	37	54	53	42	48	545
1948	65	63	75	78	74	70	46	59	76	65	74	68	813
1949	97	93	80	76	89	65							

Table 2. Defaulted Liabilities of Commercial Failures in Canada
1923 - 1949

\$ 000

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1923	5,436	6,556	7,683	6,555	3,188	5,862	2,682	3,944	4,667	(-)	15,045	-	61,618
1924	4,174	5,883	4,276	4,447	4,333	5,977	2,687	2,949	3,707	3,399	2,988	3,285	48,105
1925	2,363	2,690	3,946	2,762	3,375	2,649	2,001	2,256	2,319	3,109	2,384	2,300	32,154
1926	2,689	2,836	1,716	2,880	2,065	2,313	2,352	2,455	2,710	3,189	4,164	2,922	32,291
1927	2,626	2,084	2,200	2,280	2,236	2,438	2,035	2,372	2,853	3,095	3,248	3,088	30,555
1928	2,884	2,378	2,193	2,270	2,288	2,234	2,218	2,254	2,167	3,413	3,978	4,178	32,455
1929	4,467	5,716	2,960	2,523	2,403	2,957	2,139	1,744	5,433	2,050	2,775	3,581	38,748
1930	8,661	4,121	4,310	5,025	2,601	2,406	2,540	4,903	2,081	4,017	3,296	4,203	48,164
1931	3,971	4,790	3,184	3,081	3,210	4,613	2,511	2,351	5,167	12,378	4,336	2,957	52,553
1932	4,061	3,651	3,399	9,166	3,148	3,794	2,987	2,825	2,980	3,439	4,343	7,836	51,629
1933	4,050	3,947	3,381	3,022	2,617	2,339	2,289	2,358	2,345	2,322	1,940	2,345	32,954
1934	2,009	2,039	2,057	2,009	2,482	2,421	1,808	1,361	1,628	2,142	2,040	1,602	23,598
1935	1,502	1,190	968	1,685	1,295	1,879	1,638	1,255	1,565	1,799	1,501	1,291	17,567
1936	1,558	1,524	1,402	1,454	1,146	1,428	1,327	1,135	994	929	1,078	1,171	15,145
1937	1,936	1,150	1,051	816	1,360	1,413	1,050	1,082	1,251	1,404	1,352	1,438	14,303
1938	1,144	1,054	1,159	1,073	1,120	1,267	907	1,099	1,293	1,097	1,472	1,333	14,017
1939	1,366	1,121	1,105	1,465	1,308	1,417	1,371	1,154	1,265	1,515	931	1,072	15,089
1940	1,360	884	1,292	1,191	925	907	903	650	532	492	826	701	10,663
1941	806	853	844	1,161	839	740	716	675	541	549	586	823	9,134
1942	841	569	625	481	349	376	293	343	313	1,018	406	403	6,019
1943	460	1,144	683	456	264	403	556	331	397	253	210	184	5,340
1944	300	219	667	297	222	238	183	312	302	438	640	227	4,044
1945	636	536	221	207	85	106	189	238	266	477	668	367	3,995
1946	971	189	307	290	263	490	494	454	804	614	498	590	5,967
1947	336	565	531	1,365	814	923	790	707	1,100	1,415	540	992	10,078
1948	944	1,027	1,435	1,623	1,109	985	1,095	1,641	1,405	1,128	1,980	1,352	15,724
1949	1,484	1,477	870	1,617	2,096	817							

Table 3. Number of Commercial Failures by Provinces
1923 - 1948

Year	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1923	16	155	67	1,181	970	258	280	323	158	3,408
1924	3	69	67	907	835	100	131	150	57	2,319
1925	4	71	67	758	720	85	77	139	74	1,995
1926	4	63	74	654	655	84	68	113	58	1,773
1927	4	66	74	658	681	97	54	135	72	1,841
1928	4	90	56	767	758	103	63	126	70	2,037
1929	1	71	61	927	761	91	84	101	69	2,166
1930	3	61	45	1,011	776	113	146	152	95	2,402
1931	7	51	74	795	793	109	152	131	104	2,216
1932	9	62	80	968	889	86	91	131	104	2,420
1933	10	55	42	935	730	67	59	88	58	2,044
1934	8	42	38	779	474	56	36	42	57	1,532
1935	4	28	37	632	390	46	66	83	28	1,314
1936	6	29	15	589	384	33	57	48	37	1,198
1937	-	23	23	623	335	23	34	25	40	1,126
1938	4	35	31	588	391	67	56	20	27	1,219
1939	3	38	45	669	403	74	67	37	56	1,392
1940	3	26	12	622	362	36	46	31	35	1,173
1941	4	17	7	587	279	23	45	25	21	1,008
1942	2	9	8	456	192	19	26	11	14	737
1943	-	3	3	343	50	3	7	2	10	421
1944	-	3	-	222	33	1	3	4	11	277
1945	1	3	1	225	27	3	-	4	8	272
1946	1	3	2	236	20	-	-	4	12	278
1947	2	6	7	422	72	4	2	6	24	545
1948	1	9	13	613	116	8	4	8	41	813

Table 4. Defaulted Liabilities by Provinces
1923 - 1948

\$ 000

Year	F.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Canada
1923	-	-	-	-	-	-	-	-	-	61,618
1924	-	-	-	-	-	-	-	-	-	48,105
1925	8	546	656	12,716	14,212	993	736	1,310	976	32,154
1926	18	473	526	13,391	13,288	897	519	957	2,222	32,291
1927	17	519	613	11,483	14,250	1,168	573	1,337	596	30,555
1928	5	766	665	12,325	13,881	1,696	836	1,299	981	32,455
1929	6	543	379	12,476	14,791	1,220	1,055	986	7,292	38,747
1930	20	640	375	15,921	21,025	1,335	2,790	1,836	4,223	48,164
1931	23	437	536	23,567	17,084	3,477	2,267	2,660	2,503	52,553
1932	55	991	926	17,176	23,246	3,061	1,561	2,086	2,527	51,629
1933	64	666	328	15,544	12,391	1,138	678	1,171	974	32,954
1934	33	463	232	11,967	7,419	561	466	440	2,018	23,598
1935	38	177	297	8,253	6,053	539	522	633	1,054	17,567
1936	79	173	100	6,952	6,244	229	449	448	471	15,145
1937	-	221	116	7,008	5,126	342	408	268	815	14,303
1938	38	403	686	6,804	4,404	727	387	158	410	14,017
1939	81	332	520	6,673	4,906	679	612	329	957	15,089
1940	4	275	82	4,971	3,370	249	229	445	1,038	10,663
1941	12	159	92	5,100	2,874	227	202	196	273	9,134
1942	32	45	29	3,879	1,548	155	115	128	88	6,019
1943	-	32	100	3,820	907	30	32	10	408	5,340
1944	-	66	-	2,186	802	30	13	668	279	4,044
1945	13	7	5	2,720	878	39	-	87	246	3,995
1946	5	132	599	3,294	584	-	-	1,064	289	5,967
1947	24	113	40	6,954	1,963	142	9	106	726	10,077
1948	-	132	199	10,622	2,728	189	21	221	1,612	15,724

TABLE 5. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS
FOR THE SECOND QUARTER 1949, WITH COMPARISONS

	Mari-times	Que.	Ont.	Prai-ries	B.C.	Total for Second Quarter 1949	1948	1947
TRADE								
General Stores	-	5	2	1	-	8	8	4
Grocery	-	9	1	-	-	10	9	2
Confectionery	1	4	-	-	-	5	4	3
Drink and Tobacco	-	3	-	-	-	3	2	3
Fish and Meat	-	4	-	-	1	5	5	5
Boots and Shoes	-	2	1	-	2	5	1	1
Dry Goods	-	5	-	-	-	5	6	1
Clothing	-	5	2	-	3	10	4	2
Furniture	-	3	1	-	-	4	4	-
Books and Stationery	-	2	-	-	2	4	1	1
Automobile	-	1	-	-	-	1	6	1
Hardware	-	2	-	-	-	2	4	-
Electric Apparatus	-	5	-	-	-	5	2	-
Jewelry	-	2	-	-	-	2	4	2
Coal and Wood	-	4	-	-	-	4	8	-
Drugs and Chemicals	-	1	-	-	-	1	2	-
Miscellaneous	-	8	1	-	-	9	17	12
Total Trade	1	65	8	1	8	83	87	37
MANUFACTURES								
Vegetable Foods	-	6	-	-	-	6	2	2
Drink and Tobacco	-	-	-	-	-	-	-	1
Animal Foods	-	-	-	-	-	-	-	-
Fur and Leather	-	7	1	-	-	8	5	4
Pulp and Paper	-	2	-	1	-	3	-	-
Textiles	-	1	-	-	2	3	2	-
Clothing	-	7	1	-	-	8	2	1
Lumber and Manufactures	-	7	3	-	-	10	14	15
Iron and Steel	-	-	1	-	2	3	11	5
Non-ferrous Metals	-	3	-	1	1	5	2	3
Non-metallic Minerals	-	1	-	-	-	1	2	1
Drugs and Chemicals	-	2	-	-	-	2	3	3
Miscellaneous	-	4	1	-	-	5	10	8
Total Manufactures	-	40	7	2	5	54	53	43
SERVICE								
Garage	-	7	1	1	-	9	8	3
Other custom and repair	-	4	-	-	-	4	9	3
Personal Service	-	7	-	-	1	8	9	5
Restaurants	-	7	-	-	2	9	2	2
Professional Service	-	6	-	-	-	6	3	9
Recreational Service	-	2	1	-	-	3	-	-
Business Service	-	2	-	-	-	2	3	2
Total Service	-	35	2	1	3	41	34	24

TABLE 5. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR THE SECOND QUARTER 1949, WITH COMPARISONS - Concluded

	Mari-times	Que.	Ont.	Prairie-s	B.C.	Total for Second Quarter	1949	1948	1947
<u>OTHER</u>									
Agriculture	-	-	-	-	-	-	5	1	
Mining	-	-	1	-	-	1	1	-	
Logging, Fish & Trapping	-	3	1	-	-	4	2	3	
Construction	-	12	5	2	-	19	18	19	
Transportation and Public Utilities	-	5	1	1	-	7	6	4	
Finance	-	5	1	-	-	6	-	5	
Total Other	-	25	9	3	-	37	32	32	
Not Classified	1	11	-	2	1	15	16	10	
GRAND TOTAL	2	176	26	9	17	230	222	146	

TABLE 6. COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1948 and 1949

	Manu-factures	Agri-culture	Loggin-g, Fishing, Trapping	Con- struc-tion	Trans-porta-tion	Fin- ance	Ser-vices	Not Classi-fied	Total
<u>1948</u>									
January	23	12	-	-	5	3	-	14	8
February	22	13	-	-	7	3	-	12	6
March	22	14	-	-	1	7	4	-	16
April	26	19	3	-	1	6	2	-	15
May	28	16	2	1	-	5	3	-	12
June	33	18	-	1	-	7	1	-	7
July	18	14	-	1	-	5	1	-	5
August	15	18	-	-	-	6	3	2	59
September	20	18	1	-	-	8	4	2	19
October	27	15	-	-	-	9	1	-	11
November	26	17	2	1	-	4	4	-	12
December	29	14	1	-	1	8	1	-	10
<u>1949</u>									
January	30	21	-	-	8	6	2	20	10
February	35	20	-	2	1	6	4	2	17
March	28	16	2	2	-	7	6	-	14
April	27	22	-	2	-	5	2	3	15
May	29	17	-	2	1	10	4	1	16
June	27	15	-	-	-	4	1	2	10

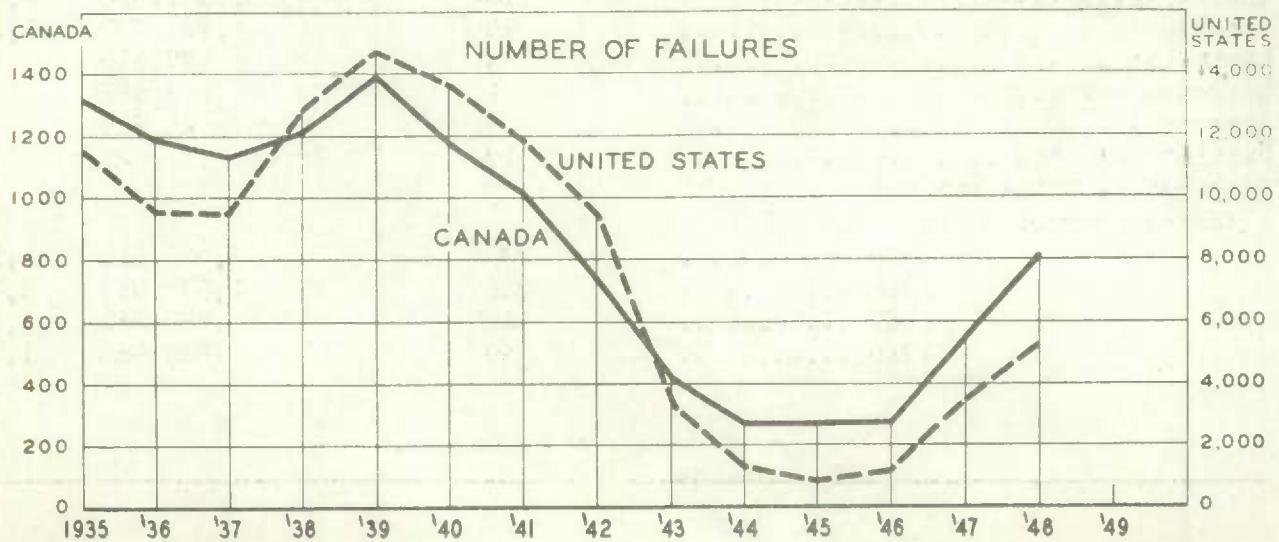
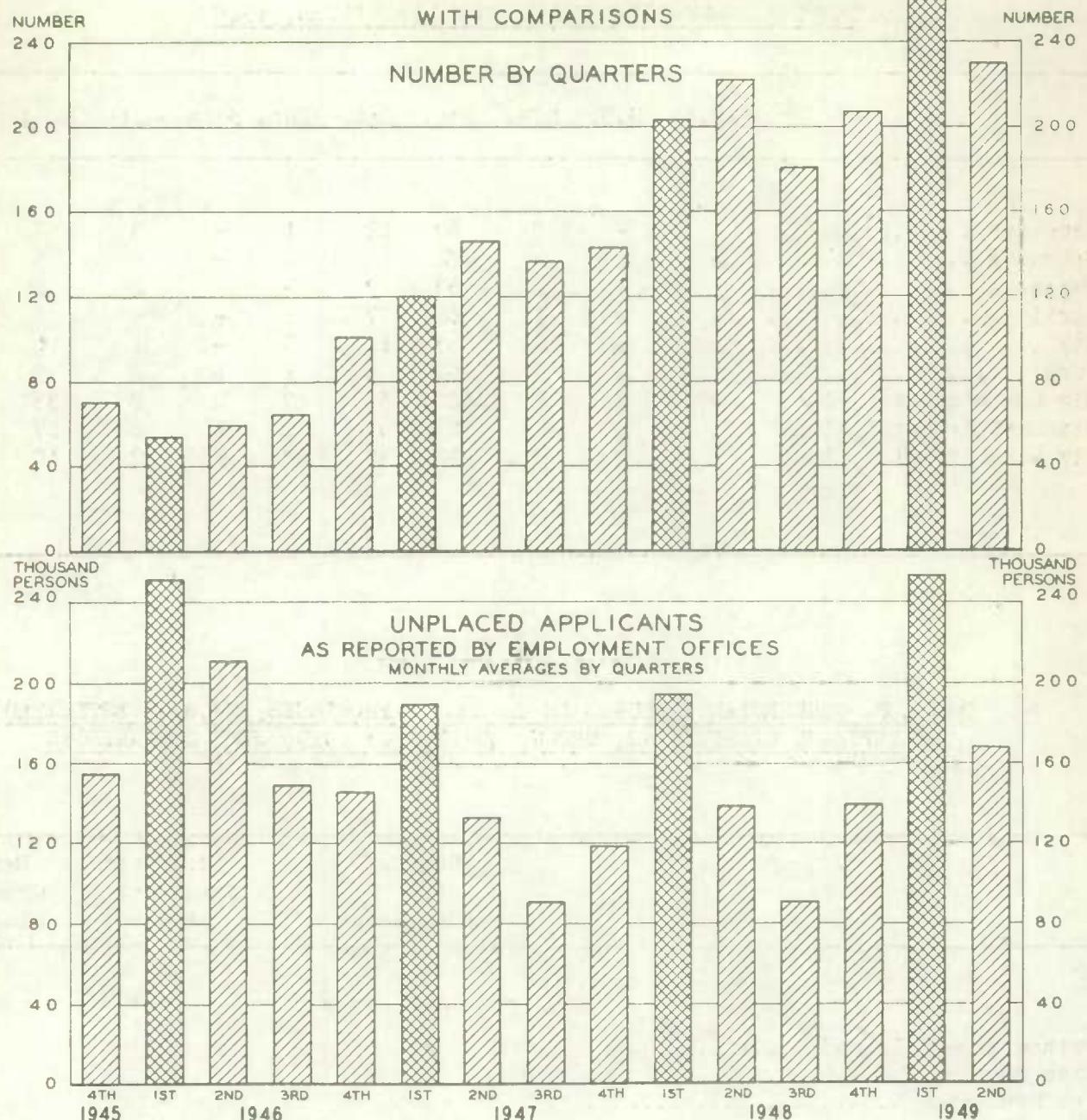
TABLE 7. COMMERCIAL FAILURES BY PROVINCES, 1949

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	5	69	12	1	-	3	7	97
February	-	1	-	72	14	1	-	-	5	93
March	1	1	1	63	7	-	1	2	4	80
April	-	-	1	61	7	1	-	-	6	76
May	-	-	-	65	14	3	-	1	6	89
June	1	-	-	50	5	1	1	2	5	65
Six Month's Total, 1949	2	2	7	380	59	7	2	8	33	500
Six Month's Total, 1948	1	3	2	323	67	4	2	6	17	425
Six Month's Total, 1947	1	3	2	212	32	3	1	2	10	266

TABLE 8. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, SECOND QUARTER OF 1949, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Prince Edward Island	1	-	-
Nova Scotia	-	-	-
New Brunswick	1	-	-
Quebec	176	1,481,066	2,378,717
Ontario	26	1,761,700	1,452,184
Manitoba	5	177,916	338,310
Saskatchewan	1	3,487	9,853
Alberta	3	25,715	60,309
British Columbia	17	211,629	290,467
Comparative Total for the Second Quarter -			
1949	230	3,661,513	4,529,840
1948	222	2,570,683	3,716,852
1947	146	1,889,252	3,101,753
1946	59	865,883	1,043,949

—10—
COMMERCIAL FAILURES
WITH COMPARISONS





STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010526261