

61 002

DOMINION BUREAU OF STATISTICS
DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU
OF STATISTICS
DEC 8 1949
PROPERTY OF THE
LIBRARY

Government of Canada

Historical File Copy

COMMERCIAL FAILURES

IN THE

COMMERCIAL FAILURES

IN THE

THIRD QUARTER

1949

Printed in Canada by the Queen's Printer

Published by the Dominion Bureau of Statistics

^R
D.B.S.
PUBLICATION


1949
E. 111 05 147

**DOMINION BUREAU OF STATISTICS
DEPARTMENT OF TRADE AND COMMERCE**

**COMMERCIAL FAILURES
IN THE
THIRD 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 THIRD QUARTER OF 1949

During the third quarter of 1949, failures in Canada numbered 239, higher, for this period, than in any other year since 1940. Following the low levels of the war period, the number of defaulting firms has increased steadily since 1946. The gain over the third quarter last year was about 32 per cent, when 181 concerns were declared bankrupt. Despite this sharp increase, the number of failures was considerably lower than in the same period of pre-war years, comparing with 343 for the third quarter of 1939.

Estimated liabilities of failing concerns for the period under review amounted to \$6,418,000 against \$4,140,000 in the third quarter of 1948, a gain of about 55 per cent.

The first Nine Months of 1949.

Failures rose sharply in the first nine months of 1949, the number, 739, having been greater than in the corresponding period of any year since 1941 when the total was 772. Subsequently, the decline was continuous year by year until 1946 when the low point of 177 was reached. During the last three years, the trend has shown a marked upward movement. It appears that growing competition is forcing out of business many firms which commenced operations during the period of post-war prosperity with limited financial reserves, insufficient experience and ability, or both.

Liabilities during the first nine months totalled \$15,144,000, a gain, over the same period last year, of 34 per cent. This is the highest for the three quarters since 1934 when liabilities amounted to \$17,814,000. At that time, the number of failures, 1,159, was much higher than the 739 reported in 1949. Thus, the average amount of liabilities per failure is considerably greater than pre-war, indicating that, in general, more capital investment is now required to operate a business.

Commercial failures by Areas.

All economic areas except the Maritime Provinces recorded increases in failures during the first nine months of 1949 when compared with the same period last year. The Prairie Provinces and British Columbia showed the sharpest percentage gains. In the former, the number of defaulting firms rose from 15 to 23 and in the latter, from 29 to 44. In Quebec, the number of failures increased from 463 to 571, an advance of more than 23 per cent, while Ontario showed a relatively minor gain, the total having been 89 against 84 in the corresponding period of 1948. There were only 12 failures reported in the Maritime Provinces compared with 15 last year.

Failures by Branches of Business.

Failures were greater in all branches of business during the first nine months. Bankrupt trading concerns numbered 265 against 207 in the same period of 1948. The increase in manufactures was from 142 to 155 while failures of service firms were 26 per cent greater at 140. Fifteen bankruptcies were reported in the primary industries, a gain of four. In construction, the total was 64 against 56 last year and in transportation, it rose from 24 to 30. Failures numbered 16 in finance compared with 4 in the corresponding 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	70	78	91				

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	711	1,027	1,435	1,623	1,109	985	1,095	1,641	1,405	1,128	1,980	1,352	15,724
1949	1,843	1,477	870	1,617	2,096	817	2,146	1,858	2,414				

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	P.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 THIRD QUARTER 1949, WITH COMPARISONS**

	Maritime	Que.	Ont.	Prairies	B.C.	Total for Third Quarter		Total for first three quarters		
						1949	1948	1949	1948	1947
TRADE										
General Stores	1	8	2	-	-	11	7	32	27	20
Grocery	-	10	1	-	-	11	6	30	25	11
Confectionery	-	2	-	-	-	2	2	13	10	4
Drink and Tobacco	-	-	-	-	-	-	-	3	2	5
Fish and Meat	-	7	1	-	-	8	4	18	14	9
Boots and Shoes	-	4	-	-	-	4	3	13	6	2
Dry Goods	-	1	-	-	-	1	3	15	9	1
Clothing	-	7	1	-	1	9	4	28	14	9
Furniture	-	1	-	-	1	2	3	8	10	3
Books and Stationery ..	-	1	-	-	-	1	-	7	2	1
Automobile	-	-	2	-	-	2	2	6	8	1
Hardware	-	1	-	1	-	2	5	7	10	-
Electric Apparatus	-	5	1	1	-	7	-	19	5	1
Jewelry	-	1	1	-	1	3	2	11	9	2
Coal and Wood	-	1	-	-	-	1	2	7	12	1
Drugs and Chemicals ...	-	1	-	-	-	1	1	2	5	4
Miscellaneous	-	17	6	-	1	24	9	46	39	37
Total Trade	1	67	15	2	4	89	53	265	207	111
MANUFACTURES										
Vegetable Foods	-	7	1	1	-	9	7	21	13	12
Drink and Tobacco	-	-	-	-	-	-	-	-	1	1
Animal Foods	-	-	-	-	-	-	-	2	2	3
Fur and Leather	-	5	-	-	-	5	11	23	23	13
Pulp and Paper	-	2	-	-	-	2	2	7	3	1
Textiles	-	-	1	-	-	1	2	6	4	1
Clothing	-	5	-	-	-	5	3	18	9	5
Lumber and Manufactures	-	3	-	-	3	6	11	32	32	30
Iron and Steel	-	5	-	-	1	6	4	10	23	13
Non-ferrous Metals	-	-	-	-	-	-	2	6	5	7
Non-metallic Minerals .	-	1	2	-	-	3	-	5	2	1
Drugs and Chemicals ...	-	1	-	-	-	1	-	7	3	7
Miscellaneous	-	5	1	-	-	6	8	18	22	24
Total Manufactures	-	34	5	1	4	44	50	155	142	118
SERVICE										
Garage	-	10	1	-	-	11	8	34	23	9
Other custom and repair	-	7	1	-	-	8	8	21	20	12
Personal Service	-	15	1	-	-	16	8	31	29	20
Restaurants	-	8	-	-	-	8	6	25	18	5
Professional Service ..	-	2	-	-	-	2	5	15	12	16
Recreational Service ..	-	-	1	-	-	1	-	5	3	-
Business Service	-	2	-	-	-	2	-	9	6	4
Total service	-	44	4	-	-	48	35	140	111	66

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

	Mari- times	Que.	Ont.	Prai- ries	B.C.	Total for		Total for first		
						Third 1949	quarter 1948	three 1949	quarters 1948	1947
<u>OTHER</u>										
Agriculture	-	3	-	-	-	3	1	5	6	2
Mining	-	-	-	-	-	-	-	2	2	-
Logging, Fish & Trapping.	-	-	-	-	-	-	2	8	3	7
Construction	-	18	4	1	2	25	18	64	56	44
Transportation and Public Utilities	-	5	1	1	-	7	8	30	24	15
Finance	-	3	1	1	1	6	4	16	4	5
Total Other	-	29	6	3	3	41	33	125	95	73
Not Classified	-	17	-	-	-	17	10	54	51	34
GRAND TOTAL	1	191	30	6	11	239	181	739	606	402

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

	Trade	Manu- fact- ures	Agri- cul- ture	Logging, Fishing, Trapping	Min- ing	Con- struc- tion	Trans- porta- tion	Fin- ance	Ser- vice	Not Class- ified	Total
<u>1948</u>											
January	23	12	-	-	-	5	3	-	14	8	65
February	22	13	-	-	-	7	3	-	12	6	63
March	22	14	-	-	1	7	4	-	16	11	75
April	26	19	3	-	1	6	2	-	15	6	78
May	28	16	2	1	-	5	3	-	12	7	74
June	33	18	-	1	-	7	1	-	7	3	70
July	18	14	-	1	-	5	1	-	5	2	46
August	15	18	-	-	-	6	3	2	11	4	59
September	20	18	1	-	-	8	4	2	19	4	76
October	27	15	-	-	-	9	1	-	11	2	65
November	26	17	2	1	-	4	4	-	12	8	74
December	29	14	1	-	1	8	1	-	10	4	68
<u>1949</u>											
January	30	21	-	-	-	8	6	2	20	10	97
February	35	20	-	2	1	6	4	2	17	6	93
March	28	16	2	2	-	7	6	-	14	5	80
April	27	22	-	2	-	5	2	3	15	-	76
May	29	17	-	2	1	10	4	1	16	9	89
June	27	15	-	-	-	4	1	2	10	6	65
July	28	18	2	-	-	6	3	2	8	3	70
August	29	14	1	-	-	6	1	1	21	5	78
September	32	12	-	-	-	12	3	3	19	10	91

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
July	-	-	-	59	7	1	-	-	3	70
August	-	-	-	63	11	1	-	1	2	78
September	-	-	1	69	12	2	1	-	6	91
Nine Months' Total, 1949	2	2	8	571	89	11	3	9	44	739
Nine Months' Total, 1948	1	6	8	463	84	5	2	8	29	606
Nine Months' Total, 1947	1	5	7	310	51	3	1	5	19	402

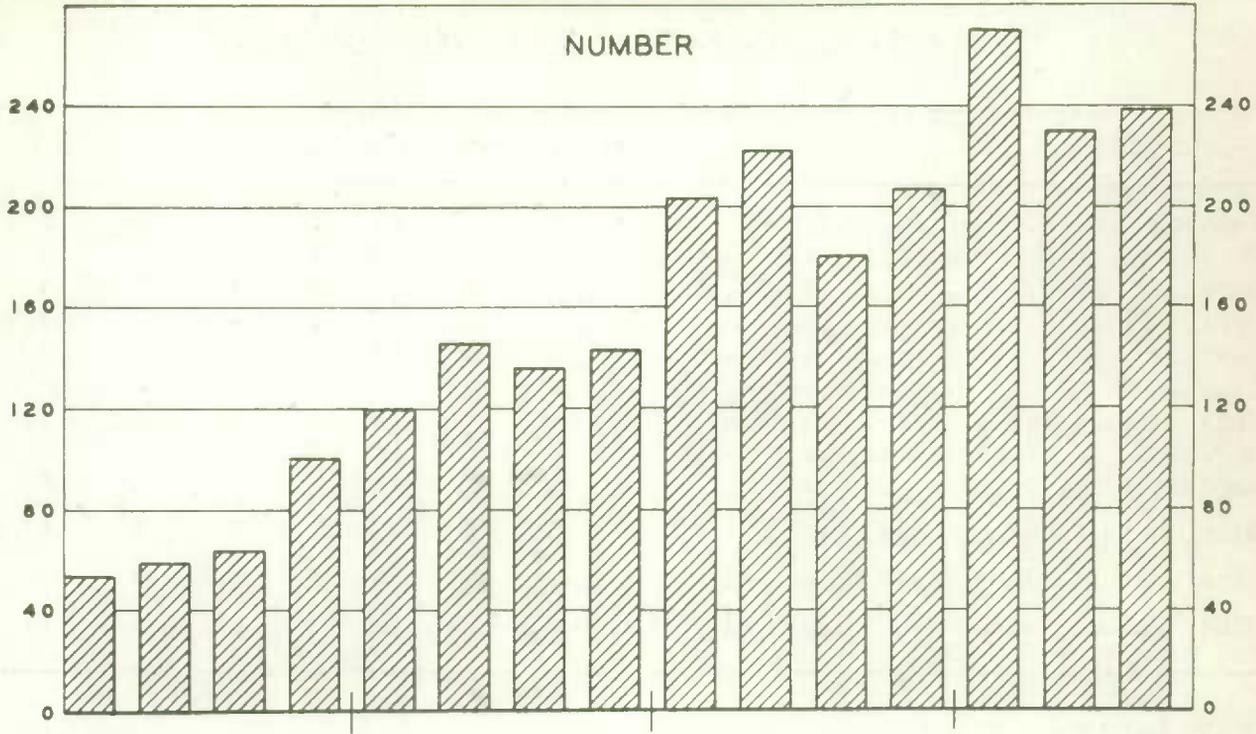
TABLE 8. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, THIRD QUARTER OF 1949, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Prince Edward Island	-	-	-
Nova Scotia	-	-	-
New Brunswick	1	7,274	11,624
Quebec	191	2,931,987	3,603,242
Ontario	30	1,554,273	1,787,067
Manitoba	1	11,543	15,529
Saskatchewan	4	174,562	309,285
Alberta	1	9,153	14,975
British Columbia	11	461,751	676,502
Comparative Total for the			
Third Quarter - 1949	239	5,150,543	6,418,224
1948	181	2,582,402	4,139,630
1947	136	1,698,737	2,596,741
1946	64	1,318,510	1,752,605
The first nine months-			
1949	739	11,471,562	15,143,719
1948	606	6,599,404	11,262,337
1947	402	4,542,591	7,130,301
1946	177	2,999,449	4,263,568

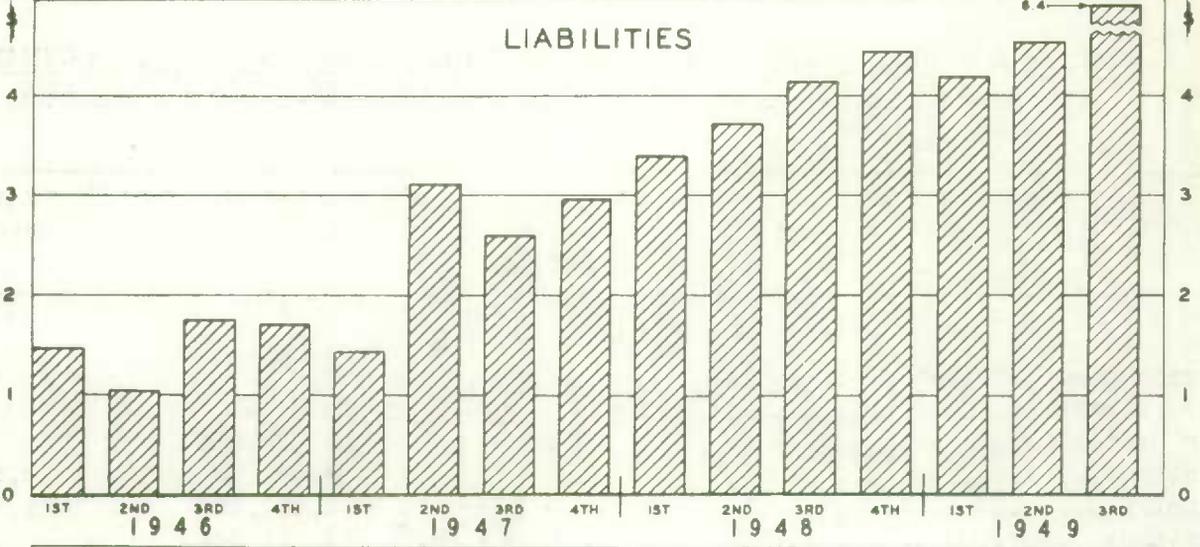
COMMERCIAL FAILURES

BY QUARTERS 1946-49

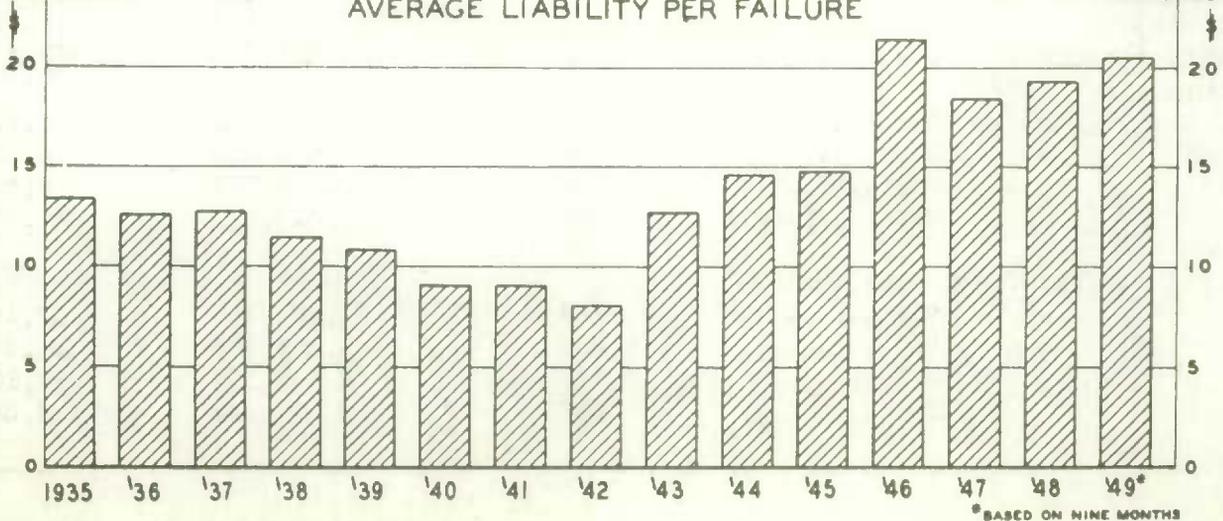
NUMBER NUMBER



MILLION MILLION



THOUSAND THOUSAND



*BASED ON NINE MONTHS

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010526260