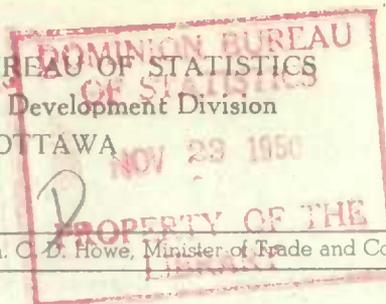




61 002

DOMINION BUREAU OF STATISTICS
Research and Development Division
OTTAWA

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

Historical File Copy
3-3050 Vol. 29, No. 3

\$1.00 per Year

COMMERCIAL FAILURES
UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS
Third Quarter, 1950

Commercial failures in Canada showed some evidence of levelling off in recent months. The number was at a somewhat lower level in the third quarter than in the second. Failures numbered 248 compared with 338 in the second quarter of the present year. The decline of 26.6 per cent may be significant of a change in the trend of the failure situation. The low point, from an annual footing, was reached in 1945 and the trend of failures has been upward until the first half of the present year. The decline in the third quarter reflects the improvement in economic conditions.

Owing to the impact of the first six months, the failures, for the elapsed portion of the present year, are still in excess over the same period of 1949. In the first three quarters of 1950, failures numbered 968 against 739 in the same period of last year, the number having been nearly one-third larger.

Industrial Trend

Failures in trading establishments in the third quarter numbered 93 against 89 in the same months of last year, a gain of 4.5 per cent. The increase in failures of manufacturing concerns was insignificant, the total having been 45 compared with 44. The record for services was not so favourable, seeing that failures numbered 57 compared with 48, a gain of 18.8 per cent in this comparison. The other classifications, as well as the unclassified, showed declines from last year. The net result was that the aggregate was 3.8 per cent more than in the third quarter of 1949.

Economic Areas

The failures in Quebec receded from 191 in the third quarter of last year to 169 in 1950. The number in the Prairies was unchanged at 6. A considerable increase was shown in the Maritimes, while the Ontario figures rose from 30 last year to 47 in the recent quarter. The gain in British Columbia was from 11 to 14. The net increase for the third quarter was limited to 3.8 per cent.

The Charts

It is assumed that commercial failures are numerous in depressed times and scanty in times of prosperity. Correlation is shown between the number of commercial failures and the number of the unemployed, especially during the period from 1933 to 1946. Commercial failures were relatively high from 1923 to 1929, while the number of unemployed seeking work was at a low level. The average liability per failure was at a high level from 1923 to 1932 and that experience has been again in evidence in the last four years.

Prepared in the Business Statistics Section.

Table 1. - Number of Commercial Failures in Canada
1923 - 1950

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	38	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	97	116	114	1,066
1950	117	132	133	121	103	114	78	84	86				

Table 2. - Defaulted Liabilities of Commercial Failures in Canada
1923 - 1950
\$ '000

Year	Jan.	Feb.	Mar.	Apr.	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	1,848	1,477	870	1,617	2,096	817	2,146	1,858	2,414	1,575	2,545	2,092	21,356
1950	2,038	2,165	2,104	2,363	2,071	1,700	2,029	1,956	1,813				

TABLE 3. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS
FOR THE THIRD QUARTER 1950, WITH COMPARISONS

	Mar- times	Que.	Ont.	Prai- ries	B.C.	Total for Third Quarter		
						1950	1949	1948
TRADE								
General Stores	-	5	3	-	-	8	11	7
Grocery	2	7	2	-	-	11	11	6
Confectionery	2	5	1	-	-	8	2	2
Drink and Tobacco	-	-	-	-	-	-	-	-
Fish and Meat	-	5	3	-	-	8	8	4
Boots and Shoes	-	1	-	-	-	1	4	3
Dry Goods	-	2	-	1	-	3	1	3
Clothing	2	8	5	1	-	16	9	4
Furniture	-	1	2	1	-	4	2	3
Books and Stationery	-	1	-	-	-	1	1	-
Automobile	-	1	-	-	1	2	2	2
Hardware	-	2	-	-	1	3	2	5
Electric Apparatus	-	2	1	-	-	3	7	-
Jewelry	1	-	-	-	-	1	3	2
Coal and Wood	-	2	-	-	-	2	1	2
Drugs and Chemicals	1	1	-	-	-	2	1	1
Miscellaneous	1	11	5	1	2	20	24	9
Total Trade	9	54	22	4	4	93	89	53
MANUFACTURES								
Vegetable Foods	-	2	3	1	-	6	9	7
Drink and Tobacco	-	-	-	-	-	-	-	-
Animal Foods	-	2	-	-	-	2	-	-
Fur and Leather	1	2	-	-	-	3	5	11
Pulp and Paper	-	2	1	-	1	4	2	2
Textiles	-	3	1	-	-	4	1	2
Clothing	-	5	2	-	-	7	5	3
Lumber and Manufactures ...	-	7	-	-	-	7	6	11
Iron and Steel	-	-	-	-	-	-	6	4
Non-ferrous Metals	-	1	-	-	-	1	-	2
Non-metallic Minerals	-	1	-	-	-	1	3	-
Drugs and Chemicals	-	-	1	-	-	1	1	-
Miscellaneous	-	8	1	-	-	9	6	8
Total Manufactures	1	33	9	1	1	45	44	50
SERVICE								
Garage	-	8	2	-	-	10	11	8
Other custom and repair ...	-	7	1	-	-	8	8	8
Personal Service	-	8	2	-	2	12	16	8
Restaurants	-	11	2	-	-	13	8	6
Professional Service	-	5	1	-	-	6	2	5
Recreational Service	-	2	-	-	-	2	1	-
Business Service	-	5	1	-	-	6	2	-
Total Service	-	46	9	-	2	57	48	35

Table 3. - Commercial Failures in Canada, by Provinces and Branches of Business for the Third Quarter, 1950, with Comparisons - Concluded

	Mari- times	Que.	Ont.	Prai- ries	B.C.	Total for Third Quarter		
						1950	1949	1948
OTHER								
Agriculture	-	3	1	-	1	5	3	1
Mining	-	-	-	-	-	-	-	-
Logging, Fishing & Trapping	-	-	-	-	-	-	-	2
Construction	1	15	2	-	2	20	25	18
Transportation and Public Utilities	-	6	-	-	2	8	7	8
Finance	-	4	1	-	-	5	6	4
Total Other	1	28	4	-	5	38	41	33
Not Classified	1	8	3	1	2	15	17	10
GRAND TOTAL	12	169	47	6	14	248	239	181

Table 4. - Commercial Failures by Months and Branches of Business, 1949 and 1950

	TRADE				MANUFACTURES				
	Total	General Stores	Grocery	Cloth- ing	Total	Lumber & Manu- factures	Fur & Lea- ther	Iron and Steel	Vegetable Foods
1949									
January	30	3	3	3	21	6	4	-	2
February	35	6	4	3	20	6	4	-	3
March	28	4	2	3	16	4	2	1	1
April	27	1	4	3	22	3	4	2	2
May	29	3	4	5	17	5	3	1	1
June	27	4	2	2	15	2	1	-	3
July	28	5	3	4	18	3	4	1	3
August	29	2	4	2	14	2	1	2	5
September	32	4	4	3	12	1	-	3	1
October	35	3	5	4	11	-	1	1	2
November	34	5	7	5	33	7	7	2	5
December	40	5	5	3	33	7	3	2	3
1950									
January	47	5	6	8	21	3	5	-	3
February	53	3	5	6	28	4	4	2	4
March	49	2	7	9	32	3	4	1	5
April	41	3	6	6	24	2	3	1	2
May	45	7	6	5	21	4	3	1	2
June	49	3	7	8	22	3	3	1	3
July	32	2	4	5	15	3	1	-	2
August	23	2	2	5	19	3	1	-	3
September	38	4	5	6	11	1	1	-	1

Table 4. - Commercial Failures by Months and Branches of Business, 1949 and 1950 (Concluded).

	Agri- cul- ture	Logging Fishing, Trapping	Min- ing	Con- struc- tion	Trans- porta- tion	Fin- ance	Ser- vice	Not Class- ified	Total
<u>1949</u>									
January	-	-	-	8	6	2	20	10	97
February	-	2	1	6	4	2	17	6	93
March	2	2	-	7	6	-	14	5	80
April	-	2	-	5	2	3	15	-	76
May	-	2	1	10	4	1	16	9	89
June	-	-	-	4	1	2	10	6	65
July	2	-	-	6	3	2	8	3	70
August	1	-	-	6	1	1	21	5	78
September.....	-	-	-	12	3	3	19	10	91
October	1	1	7	10	3	1	20	8	97
November	1	1	1	12	7	1	21	5	116
December	1	-	-	8	6	1	22	3	114
<u>1950</u>									
January	-	1	1	9	1	1	33	3	117
February	3	-	1	8	4	2	26	7	132
March	1	1	2	9	3	2	30	4	133
April	3	-	1	11	5	2	24	10	121
May	2	-	-	6	2	2	16	9	103
June	1	2	-	8	3	-	17	12	114
July	1	-	-	6	3	1	17	3	78
August	1	-	-	10	2	2	21	6	84
September	3	-	-	4	3	2	19	6	86

Table 5. - Commercial Failures by Provinces, First Nine Months 1950 With Comparisons

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	3	1	92	15	-	-	-	6	117
February	-	-	2	108	13	-	-	2	7	132
March	-	2	-	108	17	-	-	2	4	133
April	-	2	1	98	11	2	-	2	5	121
May	1	1	2	80	8	3	-	2	6	103
June	-	1	2	80	21	2	1	1	6	114
July	1	1	2	54	13	1	1	-	5	78
August	-	1	2	55	19	2	1	-	4	84
September	2	1	2	60	15	-	1	-	5	86
<u>Nine Month's Total</u>										
1950	4	12	14	735	132	10	4	9	48	968
1949	2	2	8	571	89	11	3	9	44	739
1948	1	6	8	463	84	5	2	8	29	606

Table 6. - Commercial Failures in Canada by Provinces, Showing Estimated Assets and Liabilities, Third Quarter of 1950, with Comparisons

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Prince Edward Island	3	108,951	98,204
Nova Scotia	3	105,215	138,836
New Brunswick	6	53,155	94,079
Quebec	169	3,117,247	3,950,290
Ontario	47	846,825	1,234,953
Manitoba	3	31,556	47,651
Saskatchewan	3	24,719	36,909
Alberta	-	-	-
British Columbia	14	112,270	197,239
Comparative Total for the Third Quarter - 1950	248	4,399,938	5,798,161
1949	239	5,150,543	6,418,224
1948	181	2,582,402	4,139,130
1947	136	1,698,737	2,596,741

Table 7. - Wage-Earner Failures, for the Whole Year, 1949

	Maritimes	Quebec	Ontario	Prairies	British Columbia	Total
Trade	-	13	-	-	-	13
Manufactures ...	-	-	-	-	-	-
Service	-	43	-	-	-	43
Other	2	62	2	-	2	68
Total	2	118	2	-	2	124

Third Quarter 1950 with Totals for the First and Second Quarters of this Year

	Maritimes	Quebec	Ontario	Prairies	British Columbia	Total		
						Third Quarter	Second Quarter	First Quarter
Trade	-	3	-	-	-	3	7	5
Manufactures ...	-	-	-	-	-	-	3	-
Service	-	10	-	-	-	10	14	15
Other	-	12	1	-	-	13	6	13
Total	-	25	1	-	-	26	30	33

1010526264

COMMERCIAL FAILURES

