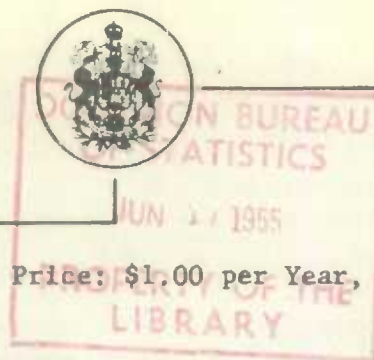


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COMMERCIAL FAILURES

UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

During the first quarter of 1955, the number of failures under the provisions of the Bankruptcy and Winding Up Acts was 661, somewhat below last year's first quarter total of 680. Estimated liabilities involved amounted to \$14,858,000, a drop of over 11 per cent from the 1954 first quarter total of \$16,760,000. The average value of liabilities per failure was slightly below \$22,500 as compared with somewhat over \$24,600 one year ago.

Owing to changes in the administration of bankruptcies as introduced by the Bankruptcy Act of 1949, the data since July 1950 are not comparable with preceding periods. In the third part of the Act, provision is made for proposals from insolvent persons. Agreements made under this method are not normally included with the statistics of bankruptcies, but when such proposals are rejected by the creditors or fail in their purpose, the proceedings may then come under the Bankruptcy Act. In table 6 of this report, the number of proposals is shown so as to give a general impression of the trend.

Failures by Industries

The number of bankruptcies in the trade sector, where a large proportion of business mortalities usually occurs, dropped from 299 in the first quarter of 1954 to 253. Failures in the general store, grocery, clothing, automobile and electrical apparatus fields all fell off in this comparison. Bankruptcies of manufacturing establishments totalled 117, as compared with 127 in the same period last year. Service insolvencies rose slightly from 110 in the first quarter of 1954 to 114, with failures in the construction and finance sectors also increasing as compared with the same period last year.

Failures by Economic Areas

The number of bankruptcies in Quebec dropped from 505 to 475 in the first quarter comparison. Failures in British Columbia declined from 27 to 20 and insolvencies in the Atlantic Provinces fell from 15 to 9. Bankruptcies in Ontario rose from 104 in the first quarter of 1954 to 122, while failures in the Prairie region increased from 29 to 35.

Insolvency

It must be emphasized that insolvencies can occur through other means than the Bankruptcy and Winding Up Acts. Relevant legislation includes the Farmers' Creditors' Arrangement Act, the Companies' Creditors' Arrangement Act and various provincial Bulk Sales Acts. Statistics in this report relate to the Bankruptcy and Winding Up Acts only.

Prepared in the Business Statistics Section, Research and Development Division.

2103-502-35

TABLE 1 - COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1954 AND 1955

	Total					Manufactures			
	Number	Liabilities in Thousand Dollars	Agri- cul- ture	Logging Fishing Trapping	Min- ing	Total	Vege- table Foods	Fur and Leather	Lumber & Manu- factures
1952 ^x	1,509	29,658	42	2	7	305	31	24	37
1953 ^x	1,657	32,818	37	6	10	359	41	29	45
1954	2,278	53,142	48	17	15	416	44	31	56
<u>1954</u>									
Jan. ..	196	5,705	2	4	5	39	3	4	9
Feb. ..	238	5,728	4	3	2	43	4	2	2
Mar. ..	246	5,327	6	4	1	45	5	3	9
Apr. ..	192	5,200	3	1	2	34	3	2	5
May ...	146	4,852	5	-	-	33	3	4	4
June ..	201	5,156	4	1	-	33	4	1	4
July ..	152	3,393	3	-	-	29	3	2	2
Aug. ..	165	3,908	4	-	1	23	4	2	4
Sept. .	170	3,387	5	1	1	29	2	3	2
Oct. ..	190	3,595	3	-	2	32	5	3	3
Nov. ..	191	3,437	4	2	1	31	4	1	7
Dec. ..	191	3,454	5	1	-	35	4	4	5
<u>1955</u>									
Jan. ..	220	4,998	6	1	1	40	5	5	3
Feb. ..	211	4,793	4	1	1	40	4	5	5
Mar. ..	230	5,067	7	-	2	37	5	4	3

	Manufactures		Con- struc- tion	Trans- porta- tion	Trade			Fin- ance	Ser- vice	Not Classi- fied
	Iron and Steel				Total	General Stores	Grocery Stores	Clothing Stores		
1952 ^x	17	114	45	569	53	56	66	32	279	114
1953 ^x	18	124	52	650	62	61	86	30	286	103
1954	19	135	67	973	92	88	116	41	408	158
<u>1954</u>										
Jan. ..	-	10	7	86	7	6	13	3	31	9
Feb. ..	3	14	6	104	11	8	8	6	42	14
Mar. ..	2	14	5	109	11	13	15	5	37	20
Apr. ..	2	8	6	88	10	10	8	4	37	9
May ...	3	9	7	61	9	6	6	1	25	5
June ..	3	12	8	85	7	6	11	4	37	17
July ..	-	11	4	53	2	8	8	3	38	11
Aug. ..	3	10	3	68	7	7	8	3	31	12
Sept. .	1	10	5	70	3	4	11	2	32	15
Oct. ..	-	12	7	86	8	10	13	3	29	16
Nov. ..	2	15	6	81	10	6	6	4	34	13
Dec. ..	-	10	3	82	17	4	9	3	35	17
<u>1955</u>										
Jan. ..	-	13	4	90	6	8	12	9	35	21
Feb. ..	2	13	6	78	6	6	9	7	39	22
Mar. ..	2	18	6	85	9	7	9	6	40	29

Note: As of July, 1950, proposals are not included.

^xAnnual totals.

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS
FOR THE FIRST QUARTER 1955, WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for First Quarter		
						1955	1954	1953
<u>TRADE</u>								
General Stores		13	5	1	2	21	29	16
Grocery		16	3	1	1	21	27	18
Confectionery		14	2	-	-	16	13	8
Drink and Tobacco		7	2	-	-	9	7	6
Fish and Meat		14	6	-	-	20	19	10
Boots and Shoes		6	1	-	-	7	8	3
Dry Goods		11	3	-	-	14	16	9
Clothing		21	7	2	-	30	36	14
Furniture		5	3	1	-	9	13	8
Books and Stationery ..		11	1	-	-	12	9	2
Automobile		9	3	1	-	13	17	6
Hardware	2	5	1	1	-	9	7	2
Electrical Apparatus ..		10	8	-	1	19	23	3
Jewelry		7	4	-	1	12	11	8
Coal and Wood		5	1	-	-	6	11	2
Drugs and Chemicals ...		5	1	-	1	7	9	5
Miscellaneous	2	17	8	-	1	28	44	26
Total Trade	4	176	59	7	7	253	299	146
<u>MANUFACTURES</u>								
Vegetable Foods		13	1	-	-	14	12	13
Drink and Tobacco		-	-	-	-	-	-	-
Animal Foods		11	-	-	-	11	8	6
Fur and Leather	1	9	3	1	-	14	9	5
Pulp and Paper		4	-	-	-	4	8	2
Textiles		14	2	-	-	16	14	11
Clothing		17	4	-	-	21	19	17
Lumber and Manufactures		8	3	-	-	11	20	11
Iron and Steel		3	1	-	-	4	5	5
Non-ferrous Metals ...		-	2	-	-	2	5	1
Non-metallic Minerals.		2	-	1	-	3	5	1
Drugs and Chemicals ..		3	-	-	-	3	5	1
Miscellaneous		14	-	-	-	14	17	12
Total Manufactures	1	98	16	2	-	117	127	85
<u>SERVICE</u>								
Garage	-	14	3	2	-	19	19	12
Other custom and repair	1	17	2	1	1	22	22	10
Personal Service		16	6	2	1	25	18	11
Restaurants		11	4	1	-	16	15	10
Professional Service ..		9	-	-	-	9	11	8
Recreational Service ..		7	1	-	1	9	10	5
Business Service		11	2	1	-	14	15	4
Total Service	1	85	18	7	3	114	110	60

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR
THE FIRST QUARTER, 1955, WITH COMPARISONS - Concluded

						Total for		
	Atlantic	Quebec	Ontario	Prairies	British	First Quarter		
	Provinces				Columbia	1955	1954	1953
OTHER								
Agriculture		13	3	-	1	17	12	9
Logging, Fishing and Trapping		4	-	-	-	4	11	-
Mining		2	-	-	-	2	8	3
Construction		21	9	11	3	44	38	25
Transportation and Public Utilities		13	2	-	1	16	18	14
Finance		19	2	1	-	22	14	7
Not Classified	3	44	13	7	5	72	43	33
Total Other	3	116	29	19	10	177	144	91
GRAND TOTAL								
	9	475	122	35	20	661	680	382

TABLE 3. WAGE-EARNER FAILURES, FIRST QUARTER, 1955, WITH COMPARISON^X

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for First Quarter		
						1955	1954	1953
Trade	1	32	6	1	1	41	26	12
Manufactures	-	9	2	-	-	11	9	8
Service	-	5	3	-	-	8	16	16
Other	-	6	3	1	-	10	8	10
Total	1	52	14	2	1	70	59	46

X Data included in Tables 1, 2, 4, and 5.

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, FIRST QUARTER, 1955, WITH COMPARISONS

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	3	1	155	44	2	3	6	6	220
February	-	-	1	2	154	35	6	3	4	6	211
March	2	-	-	-	166	43	6	3	2	8	230
First Quarter 1955	2	-	4	3	475	122	14	9	12	20	661
1954	1	-	8	6	505	104	7	8	14	27	680
1953	3	-	4	1	287	49	4	4	9	21	382
1952	3	-	9	4	357	69	5	2	2	19	470

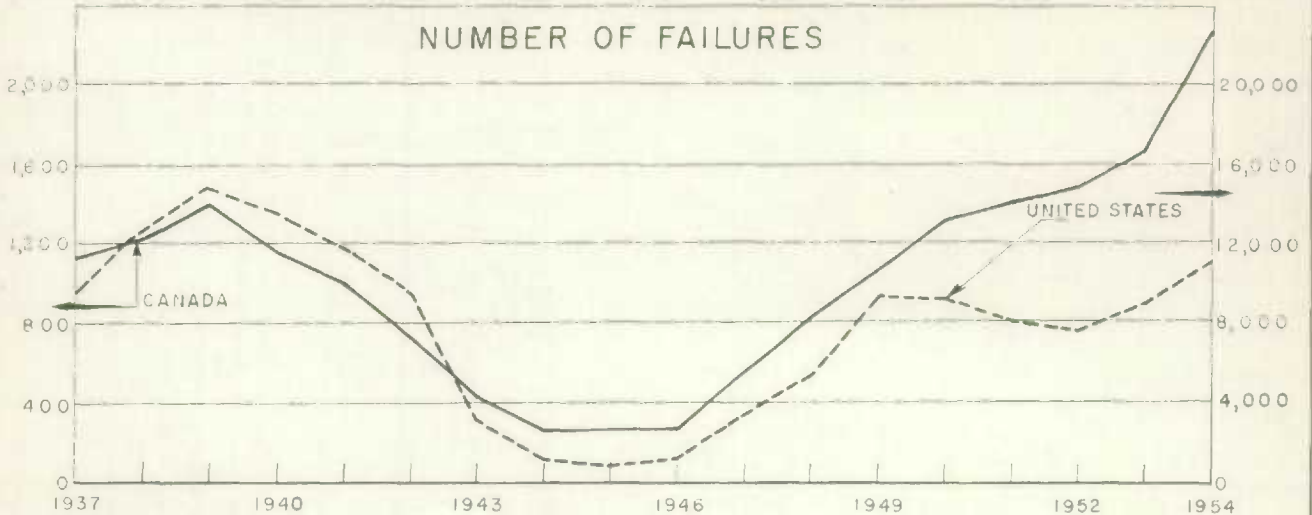
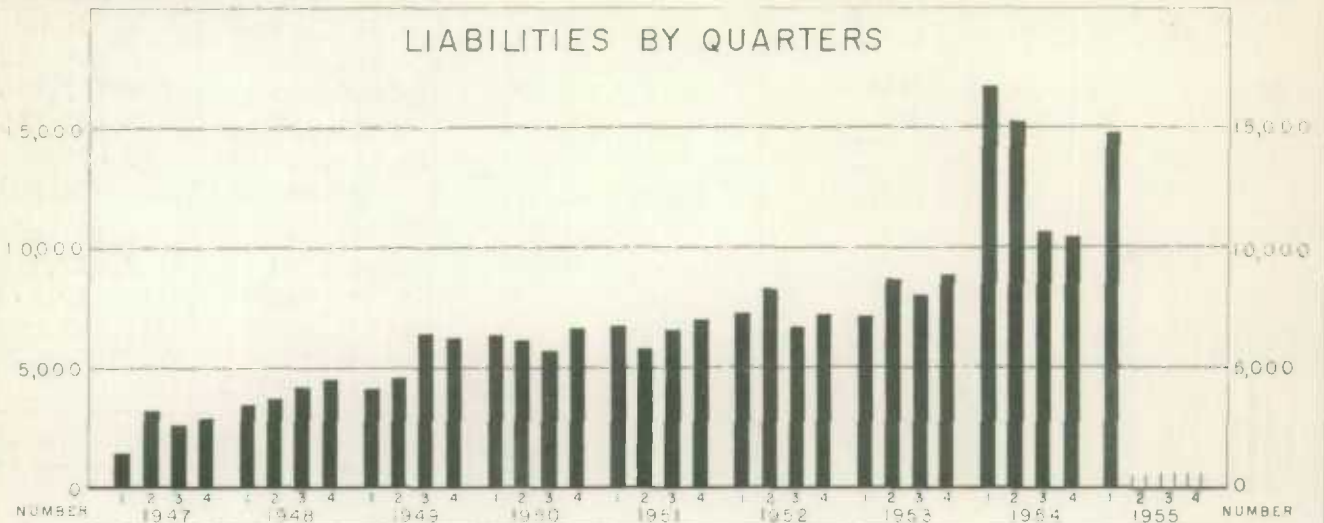
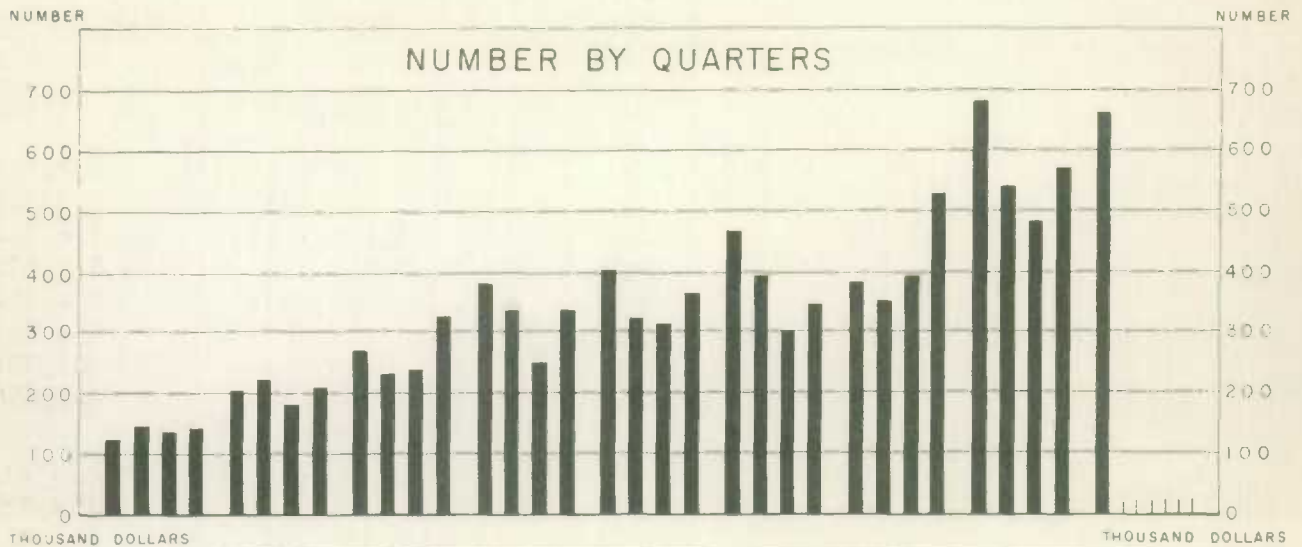
TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, FIRST QUARTER OF 1955, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Newfoundland	2	32,369	61,389
Prince Edward Island	-	-	-
Nova Scotia	4	278,185	319,721
New Brunswick	3	32,590	47,233
Quebec	475	6,169,118	9,156,013
Ontario	122	2,617,529	3,097,100
Manitoba	14	443,156	794,352
Saskatchewan	9	239,001	430,817
Alberta	12	173,594	302,037
British Columbia	20	567,133	649,628
Comparative Total for the			
First Quarter - 1955	661	10,552,675	14,858,290
1954	680	10,756,198	16,759,823
1953	382	5,173,001	7,150,962
1952	472	4,783,147	7,285,001
1951	402	4,269,893	6,688,412
1950	382	4,040,543	6,307,156
1949	270	2,659,506	4,195,655
1948	203	1,446,319	3,405,855
1947	120	954,602	1,431,807
1944	94	535,644	1,185,693
1939	371	2,614,428	3,592,118
1932	667	12,971,869	11,110,423
1929	646	8,076,661	13,143,000

TABLE 6. PROPOSALS AS PER BANKRUPTCY ACT, PART 3

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1954											
January	-	-	-	-	32	2	-	-	-	-	34
February	-	-	-	-	37	4	-	-	-	-	41
March	-	-	-	-	37	2	-	-	1	-	40
April	-	-	-	-	38	1	-	-	-	2	41
May	-	-	-	-	37	2	-	-	-	-	39
June	-	-	-	-	38	2	-	-	-	-	40
July	-	-	-	-	42	3	-	-	-	1	46
August	-	-	-	-	35	2	-	-	-	-	37
September	1	-	-	-	23	2	1	-	-	-	27
October	-	-	-	-	35	2	1	-	-	-	38
November	-	-	-	-	32	2	1	1	-	1	37
December	-	-	-	-	30	5	1	-	-	-	36
1955											
January	1	-	1	-	37	7	-	-	-	1	47
February	-	-	-	1	36	4	1	-	1	1	44
March	-	-	-	-	34	5	-	-	-	1	40

COMMERCIAL FAILURES



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