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During the second quarter of 1955, there were 593 failures under the provisions of the Bankruptcy and Winding Up Acts, about 10 per cent above last year's second quarter total of 539. Estimated liabilities involved amounted to \$14,431,000, a drop of over 5 per cent from the 1954 second quarter total of \$15,208,000. The average value of liabilities per failure was slightly over \$24,300, appreciably lower than the corresponding second quarter average of \$28,200 one year ago.

Failures in the first six months of 1955 numbered 1,254, about 3 per cent more than the 1,219 insolvencies recorded in the first half of last year. Total estimated liabilities over the six-months period, however, were \$29,290,000, over 8 per cent below the 1954 six months total of \$31,968,000.

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 submitted 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 occurs, dropped from 533 in the first half of 1954 to 496. Failures of manufacturing establishments also fell off from 227 to 198 in this comparison. Insolvencies in the construction field, however, rose from 67 in the first half of 1954 to 85. Service bankruptcies also advanced from 209 last year to 229.

Failures by Economic Areas

The number of failures in Quebec province declined from 902 in the first half of 1954 to 887. Insolvencies in British Columbia also fell off from 46 to 42 in the six-month comparison with bankruptcies in the Atlantic Provinces declining from 24 to 18. Failures in Ontario increased substantially from 194 in the first half of last year to 242, while bankruptcies in the Prairie region rose from 53 to 65 in the same comparison.

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.

2103-502-65

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

	Total		Agriculture	Logging Fishing Trapping	Mining	Manufactures			
	Number	Liabilities in Thousand Dollars				Total	Vegetable Foods	Fur and Leather	Lumber & Manufactures
1952*	1,509	29,658	42	2	7	305	31	24	37
1953*	1,657	32,818	37	6	10	359	41	29	45
1954*	2,278	53,142	48	17	15	416	44	31	56
1954									
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
1955									
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
Apr. ..	194	5,011	4	1	1	33	4	4	4
May ...	199	5,832	5	1	1	30	3	3	4
June ..	200	3,588	5	1	-	18	-	-	3

	Manufactures	Construction	Transportation	Trade				Finance	Service	Not Classified
	Iron and Steel			Total Stores	General Stores	Grocery Stores	Clothing Stores			
1952*	17	114	45	569	53	56	66	32	279	114
1953*	18	124	52	650	62	61	86	30	286	103
1954*	19	135	67	973	92	88	116	41	408	158
1954										
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
1955										
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
Apr. ..	-	9	4	88	5	8	11	3	39	12
May ...	4	13	5	87	9	9	10	4	38	15
June ..	4	19	20	68	2	11	13	1	38	30

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

*Annual totals.

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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1955	1954	1953
TRADE								
General Stores	-	9	3	3	1	16	26	9
Grocery	-	18	8	1	1	28	22	11
Confectionery	-	8	1	-	1	10	14	2
Drink and Tobacco	-	7	-	-	-	7	5	1
Fish and Meat	-	12	3	-	-	15	15	11
Boots and Shoes	-	7	3	-	-	10	7	3
Dry Goods	-	13	-	-	-	13	12	3
Clothing	2	19	10	-	3	34	28	23
Furniture	-	11	3	2	-	16	11	12
Books and Stationery ..	-	4	-	2	-	6	9	4
Automobile	-	6	2	2	1	11	13	4
Hardware	1	4	4	1	-	10	6	5
Electrical Apparatus ..	-	8	6	1	1	16	13	10
Jewelry	-	7	-	3	-	10	5	12
Coal and Wood	-	2	-	-	-	2	6	3
Drugs and Chemicals....	-	3	1	-	-	4	6	5
Miscellaneous	-	20	7	3	5	35	36	23
Total Trade	3	158	51	18	13	243	234	141
MANUFACTURES								
Vegetable Foods	1	6	-	-	-	7	10	6
Drink and Tobacco.....	-	-	-	-	-	-	-	-
Animal Foods	-	4	-	-	-	4	9	2
Fur and Leather	-	6	1	-	-	7	7	5
Pulp and Paper	-	4	2	1	-	7	9	-
Textiles	-	10	4	-	-	14	11	16
Clothing	-	9	1	-	-	10	13	9
Lumber and Manufactures	-	7	3	-	1	11	14	13
Iron and Steel	-	6	2	-	-	8	8	3
Non-ferrous Metals	-	1	-	-	-	1	5	1
Non-metallic Minerals .	-	1	-	-	-	1	3	1
Drugs and Chemicals ...	-	6	1	-	-	7	-	1
Miscellaneous	-	3	-	1	-	4	11	16
Total Manufactures	1	63	14	2	1	81	100	73
SERVICE								
Garage	-	9	6	1	-	16	17	13
Other custom and repair	-	13	7	-	-	20	26	10
Personal Service	-	14	3	1	1	19	19	14
Restaurants	-	18	4	-	2	24	13	11
Professional Service ..	-	9	3	-	-	12	11	8
Recreational Service ..	-	5	2	1	-	8	5	6
Business Service	-	13	1	1	1	16	10	3
Total Service	-	81	26	4	4	115	101	65

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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1955	1954	1953
OTHER								
Agriculture	-	8	5	-	1	14	12	8
Logging, Fishing and Trapping	-	3	-	-	-	3	2	1
Mining	-	-	1	-	1	2	2	3
Construction	3	23	14	-	1	41	30	28
Transportation and Public Utilities .	-	24	4	1	-	29	22	15
Finance	-	8	-	-	-	8	8	5
Not Classified	2	44	5	5	1	57	28	12
Total Other	5	110	29	6	4	154	104	72
GRAND TOTAL	9	412	120	30	22	593	539	351

TABLE 3. WAGE-EARNER FAILURES, SECOND QUARTER, 1955, WITH COMPARISONS^X

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1955	1954	1953
Trade	-	33	3	-	-	36	26	17
Manufactures	-	8	1	-	-	9	14	6
Service	-	13	3	-	-	16	16	7
Other	-	23	2	-	-	25	8	10
Total	-	77	9	-	-	86	64	40

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCE, SECOND 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
April	-	1	1	4	131	41	2	4	3	7	194
May	-	-	-	1	138	39	2	4	7	8	199
June	1	-	-	1	143	40	-	3	5	7	200
Six months' total 1955	3	1	5	9	887	242	18	20	27	42	1,254
Six months' total 1954	1	2	13	8	902	194	14	15	24	46	1,219
Six months' total 1953	3	-	8	4	541	112	10	10	13	32	733

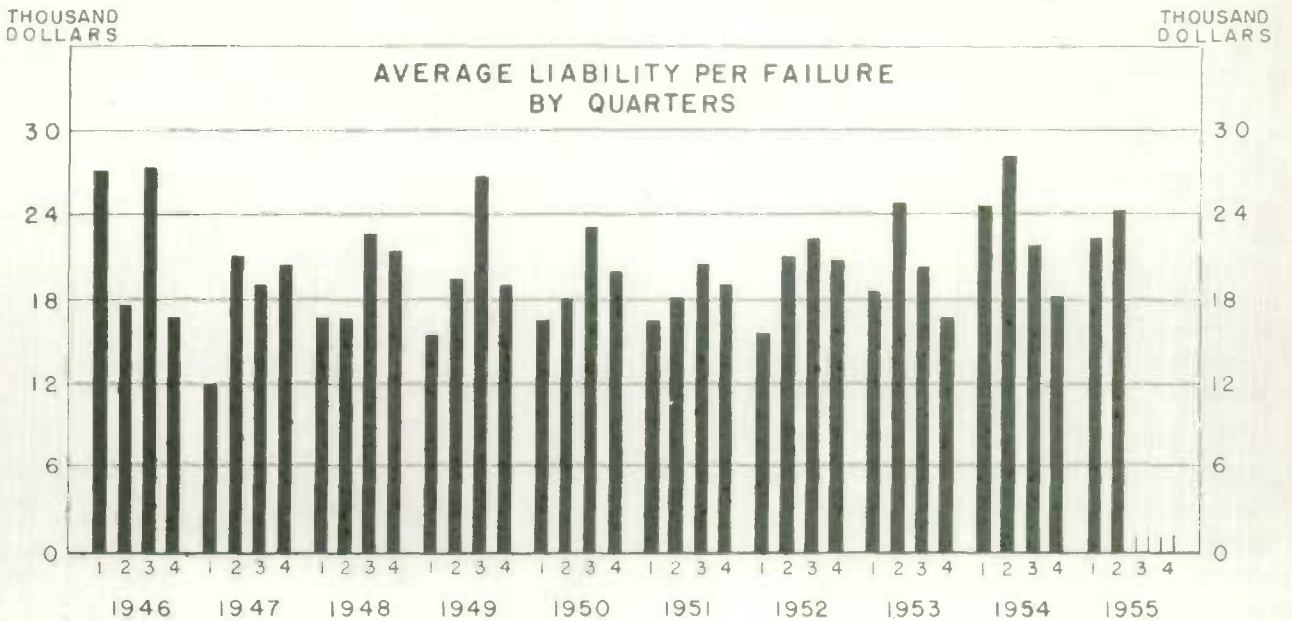
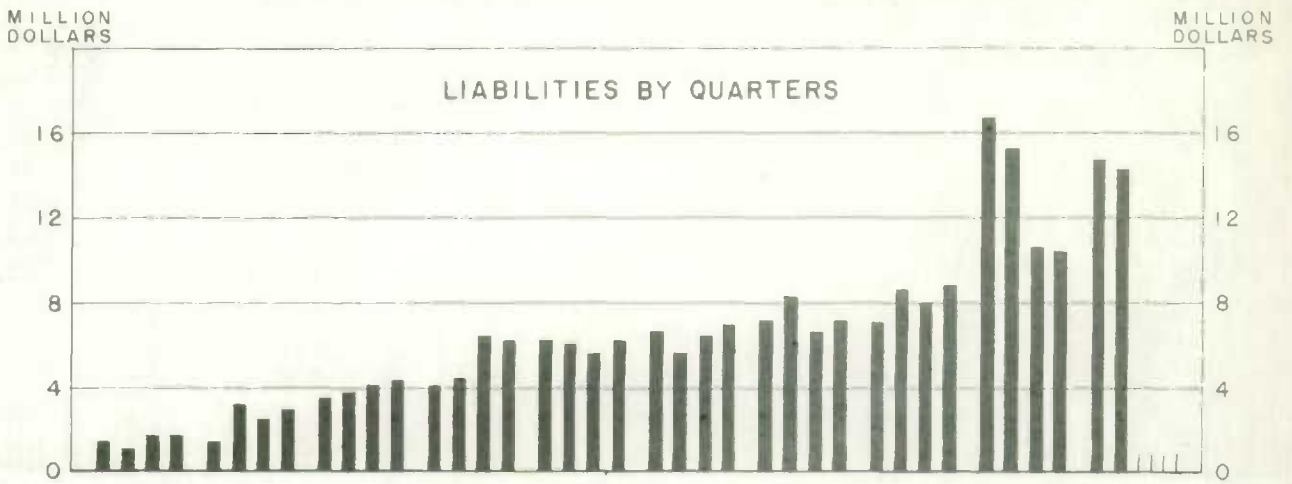
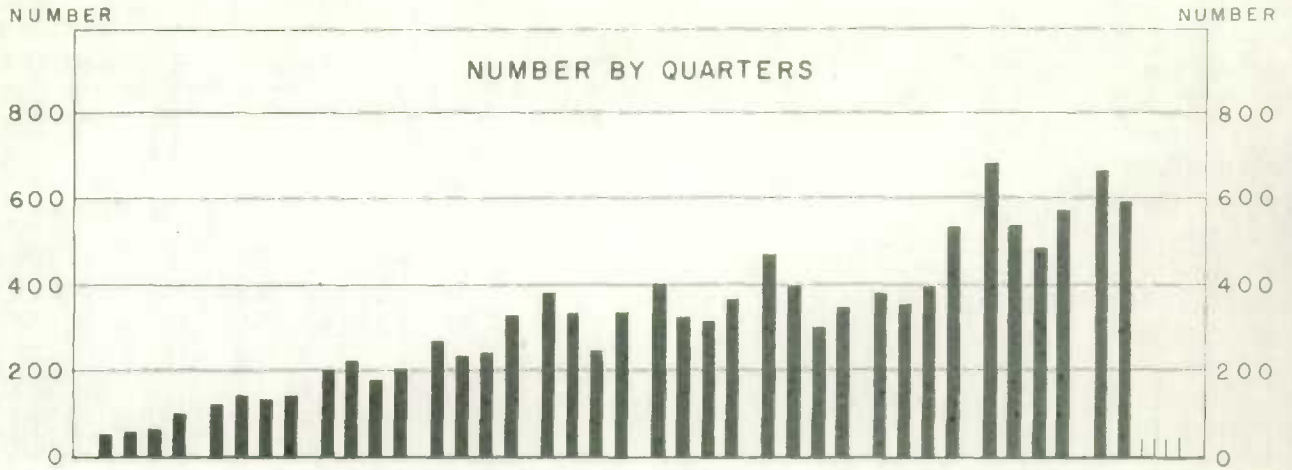
TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, SECOND QUARTER OF 1955, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Newfoundland	1	37,340	64,605
Prince Edward Island	1	-	24,216
Nova Scotia	1	-	n.a.
New Brunswick	6	212,251	384,857
Quebec	412	6,184,263	8,577,855
Ontario	120	2,491,361	3,932,112
Manitoba	4	21,063	58,839
Saskatchewan	11	311,624	533,743
Alberta	15	187,311	293,254
British Columbia	22	292,875	561,742
Comparative Total for the			
Second Quarter - 1955	593	9,738,088	14,431,223
1954	539	11,084,140	15,208,000
1953	351	5,443,776	8,716,863
1952	394	5,173,001	8,384,104
1951	321	4,389,792	5,796,007
1950	338	4,529,106	6,135,180
1949	230	3,661,513	4,529,840
1948	222	2,570,683	3,716,852
1947	146	1,887,252	3,101,753
1944	61	400,925	756,584
1939	346	2,788,143	4,189,660
1932	573	11,596,713	16,108,434
1929	507	7,534,078	7,882,774

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											
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
April	-	-	-	-	42	2	-	-	-	-	44
May	-	-	-	-	33	5	-	-	-	1	39
June	-	-	-	1	25	2	-	-	-	-	28

COMMERCIAL FAILURES



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