

DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

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



Vol. 34 No. 3, Third Quarter, 1955

JAN 8 1956

Price: \$1.00 per Year, 25¢ per copy

COMMERCIAL FAILURES

Historical File Copy UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

During the third quarter of 1955, there were 534 failures under the provisions of the Bankruptcy and Winding Up Acts, not quite 10 per cent above last year's third quarter total of 487. However, estimated liabilities involved amounted only to \$9,198,000, as compared with \$10,688,000 in the third quarter of 1954, a decline of 14 per cent. The average value of liabilities per failure was slightly over \$17,200, down substantially from the average of over \$21,900 in the third quarter of the previous year.

Failures in the first nine months of 1955 numbered 1,789, not quite 5 per cent more than the 1,706 insolvencies recorded in the first nine months of last year. Total estimated liabilities were \$38,614,000, 9.5 per cent lower than the corresponding 1954 total of \$42,656,000.

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 is shown so as to give a general impression of the trend.

Failures by Industries

The number of bankruptcies in the trade sector dropped from 724 in the first nine months of 1954 to 667. Failures of manufacturing establishments also declined from 318 to 246 in this comparison. Insolvencies in the construction field, however, rose sharply in the third quarter to total 168 in the first nine months of 1955, as compared with 97 in the same period last year. Service bankruptcies rose from 308 to 324 in the nine-month comparison.

Failures by Economic Areas

The number of failures in Quebec province rose from 1,232 in the first nine months of 1954 to 1,291. Insolvencies in Ontario advanced from 307 to 322 in the same comparison, while bankruptcies in the Prairie region increased from 73 to 85. Failures in British Columbia rose from 59 to 64 in the nine month period, but bankruptcies in the Atlantic provinces dropped from 35 to 27.

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.

2103-502-95

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

| | Total | | Agri- cul- ture | Logging Fishing Trapping | Min- ing | Manufactures | | | | |
|----------|-------------------|---------------------------------------|------------------------|--------------------------------|-----------------|-------------------|-------------------------|--------------------|-------------------------------|------------------------|
| | Number | Liabilities in Thousand Dollars | | | | Total | Vege- table Foods | Fur and Leather | Lumber & Manu- factures | |
| 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 | | | | | | | | | | |
| July .. | 152 | 3,393 | 3 | - | - | 29 | 3 | 2 | 2 | |
| Aug. .. | 165 | 3,908 | 4 | - | 1 | 33r | 4 | 2 | 4 | |
| Sept. .. | 170 | 3,387 | 5 | 1 | 1 | 29 | 2 | 3 | 1r | |
| 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 .. | 201r | 3,716r | 5 | 1 | - | 19r | - | - | 4r | |
| July .. | 161 | 2,660 | 4 | - | 1 | 16 | 1 | - | 3 | |
| Aug. .. | 176 | 3,537 | 3 | - | - | 20 | 2 | - | 5 | |
| Sept. . | 197 | 3,000 | 5 | 1 | - | 11 | - | 1 | 3 | |
| | | | | | | | | | | |
| | Manufactures | | Con- struc- tion | Trans- porta- tion | Trade | | | Fin- ance | Ser- vice | Not Classi- fied |
| | Iron and Steel | | | | Total Stores | General Stores | Grocery 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 | | | | | | | | | | |
| July .. | - | 11 | 4 | 53 | 2 | 8 | 8 | 3 | 38 | 11 |
| Aug. .. | 3 | 10 | 3 | 68 | 7 | 7 | 8 | 3 | 31 | 12 |
| Sept. .. | 1 | 9r | 4r | 70 | 3 | 4 | 8r | 3r | 30r | 18r |
| 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 | 7r | 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 |
| July .. | 2 | 28 | 16 | 50 | 2 | 4 | 6 | 2 | 27 | 17 |
| Aug. .. | 3 | 25 | 12 | 57 | 10 | 5 | 5 | 2 | 30 | 27 |
| Sept. . | 1 | 30 | 17 | 64 | 2 | 5 | 9 | 4 | 38 | 27 |

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

x Annual totals.

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

| | Atlantic Provinces | Quebec | Ontario | Prairies | British Columbia | Total for Third Quarter | | |
|---------------------------|-----------------------|--------|---------|----------|---------------------|----------------------------|------|------|
| | | | | | | 1955 | 1954 | 1953 |
| TRADE | | | | | | | | |
| General Stores | 1 | 10 | 3 | - | - | 14 | 12 | 16 |
| Grocery | 1 | 7 | 3 | 2 | 1 | 14 | 19 | 18 |
| Confectionery | - | 7 | 1 | - | - | 8 | 12r | 8 |
| Drink and Tobacco | - | - | 1 | - | - | 1 | 3r | 2 |
| Fish and Meat | 2 | 8 | 1 | - | - | 11 | 10 | 10 |
| Boots and Shoes | - | 5 | 1 | - | - | 6 | 7r | 5 |
| Dry Goods | - | 1 | - | - | - | 1 | 10r | 8 |
| Clothing | 1 | 8 | 6 | 3 | 2 | 20 | 24r | 21 |
| Furniture | - | 6 | 3 | - | - | 9 | 10r | 5 |
| Books and Stationery | - | - | - | - | - | - | 14r | 5 |
| Automobile | - | 6 | 3 | 1 | 1 | 11 | 12 | 8 |
| Hardware | - | 5 | - | 1 | - | 6 | 4 | 5 |
| Electrical Apparatus | - | 4 | 3 | 1 | - | 8 | 14 | 20 |
| Jewellery | - | 2 | 1 | - | - | 3 | 8r | 7 |
| Coal and Wood | - | 2 | 2 | - | - | 4 | 8r | 5 |
| Drugs and Chemicals | - | 2 | 1 | - | - | 3 | 10r | 6 |
| Miscellaneous | - | 36 | 11 | 3 | 2 | 52 | 14r | 18 |
| Total Trade | 5 | 109 | 40 | 11 | 6 | 171 | 191r | 167 |
| MANUFACTURERS | | | | | | | | |
| Vegetable Foods | - | 2 | - | - | 1 | 3 | 9 | 9 |
| Drink and Tobacco | - | - | - | - | - | - | 3r | - |
| Animal Foods | - | 1 | - | - | - | 1 | 9 | 5 |
| Fur and Leather | - | - | 1 | - | - | 1 | 7 | 7 |
| Pulp and Paper | - | 6 | - | 1 | 1 | 8 | 3 | 4 |
| Textiles | - | 5 | - | 1 | - | 6 | 10 | 11 |
| Clothing | - | 7 | - | - | 1 | 8 | 15 | 13 |
| Lumber and Manufacturers. | - | 5 | 5 | - | 2 | 12 | 7r | 9 |
| Iron and Steel | - | 4 | 2 | - | - | 6 | 4 | 3 |
| Non-ferrous Metals | - | - | - | - | - | - | 7r | 4 |
| Non-metallic Minerals ... | - | 1 | - | - | - | 1 | 2 | 2 |
| Drugs and Chemicals | - | - | - | - | - | - | 1 | 2 |
| Miscellaneous | - | 1 | - | - | - | 1 | 14r | 10 |
| Total Manufactures | - | 32 | 8 | 2 | 5 | 47 | 91r | 79 |
| SERVICE | | | | | | | | |
| Garage | - | 12 | - | - | - | 12 | 18 | 13 |
| Other custom and repair . | 1 | 14 | 2 | 1 | - | 18 | 21r | 13 |
| Personal Service | 1 | 16 | 3 | - | 1 | 21 | 19r | 9 |
| Restaurants | - | 17 | 3 | 2 | 1 | 23 | 18 | 18 |
| Professional Service | - | 8 | - | - | - | 8 | 8 | 6 |
| Recreational Service | - | 4 | 2 | - | 1 | 7 | 7r | 4 |
| Business Service | - | 4 | 1 | - | 1 | 6 | 8 | 9 |
| Total Service | 2 | 75 | 11 | 3 | 4 | 95 | 99r | 72 |

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

| | Atlantic Provinces | Quebec | Ontario | Prairies | British Columbia | Total for Third Quarter | | |
|--|-----------------------|--------|---------|----------|---------------------|----------------------------|------|------|
| | | | | | | 1955 | 1954 | 1953 |
| OTHER | | | | | | | | |
| Agriculture | - | 10 | 2 | - | - | 12 | 12r | 10 |
| Logging, Fishing and Trapping | - | - | 1 | - | - | 1 | 1 | 1 |
| Mining | - | - | - | 1 | - | 1 | 2 | - |
| Construction | 1 | 69 | 9 | 2 | 2 | 83 | 30r | 35 |
| Transportation and Public Utilities ... | - | 39 | 6 | - | - | 45 | 11r | 6 |
| Finance | - | 7 | 1 | - | - | 8 | 9r | 6 |
| Not Classified | 1 | 63 | 2 | 1 | 4 | 71 | 41r | 18 |
| Total Other | 2 | 188 | 21 | 4 | 6 | 221 | 106r | 76 |
| GRAND TOTAL | 9 | 404 | 80 | 20 | 21 | 534 | 487r | 394 |

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

| | Atlantic Provinces | Quebec | Ontario | Prairies | British Columbia | Total for Third Quarter | | |
|--------------------|-----------------------|--------|---------|----------|---------------------|----------------------------|------|------|
| | | | | | | 1955 | 1954 | 1953 |
| Trade | - | 26 | - | - | - | 26 | 29 | 14 |
| Manufactures | - | 14 | - | - | - | 14 | 13 | 3 |
| Service | - | 11 | - | - | - | 11 | 16 | 9 |
| Other | - | 98 | 3 | - | 1 | 102 | 8 | 12 |
| Total | - | 149 | 3 | - | 1 | 153 | 66 | 38 |

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCE, THIRD 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 | 8r | 201r |
| July | 1 | - | - | 3 | 121 | 24 | 1 | 2 | 3 | 6 | 161 |
| August | 1 | 1 | - | 1 | 135 | 24 | - | 4 | - | 10 | 176 |
| September | 1 | - | 1 | - | 148 | 32 | 3 | 3 | 4 | 5 | 197 |
| Nine months' total 1955 | 6 | 2 | 6 | 13 | 1,291 | 322 | 22 | 29 | 34 | 64 | 1,789 |
| Nine months' total 1954 | 2 | 2 | 14 | 17 | 1,232r | 307r | 17 | 24 | 32 | 59r | 1,706r |
| Nine months' total 1953 | 3 | 1 | 9 | 9 | 824 | 173 | 18 | 15 | 23 | 52 | 1,127 |

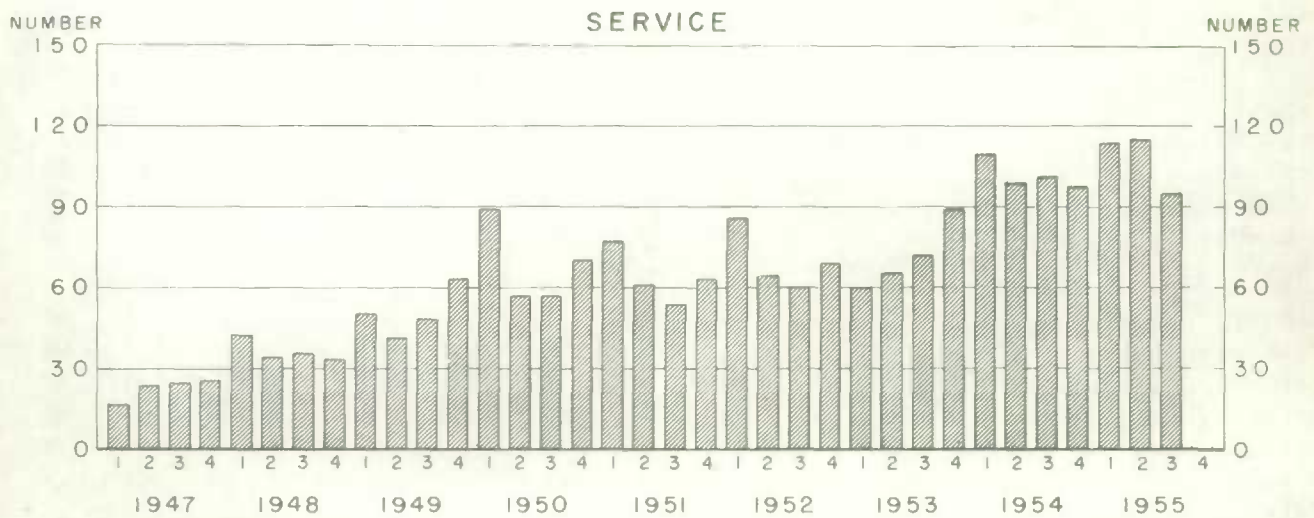
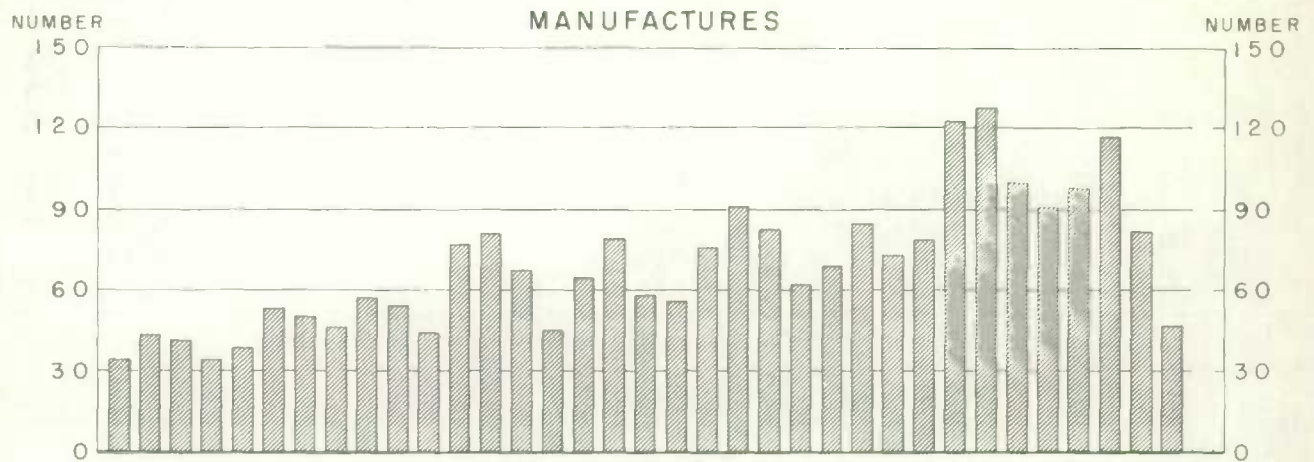
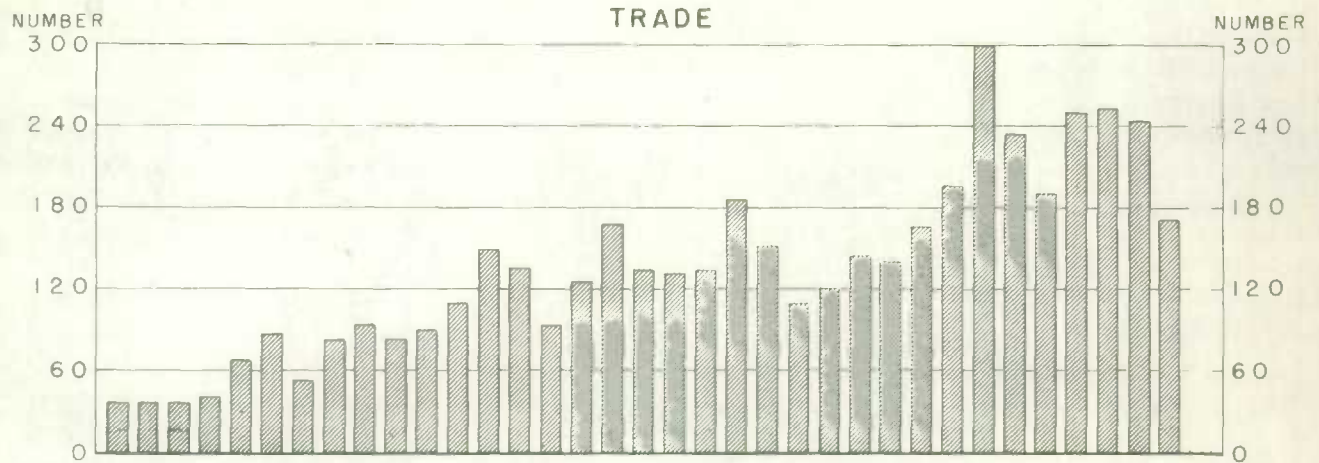
TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, THIRD QUARTER OF 1955, WITH COMPARISONS

| | Number of Bankruptcies | Estimated Grand Total Assets | Estimated Grand Total Liabilities |
|----------------------------|------------------------------|------------------------------------|---|
| | | \$ | \$ |
| Newfoundland | 3 | 144,817 | 177,597 |
| Prince Edward Island | 1 | 411,888 | 434,265 |
| Nova Scotia | 1 | n.a. | n.a. |
| New Brunswick | 4 | 28,941 | 60,928 |
| Quebec | 405 | 1,665,066 | 4,807,380 |
| Ontario | 79 | 1,103,266 | 2,467,605 |
| Manitoba | 4 | 56,835 | 71,808 |
| Saskatchewan | 9 | 733,934 | 748,764 |
| Alberta | 7 | 45,976 | 69,261 |
| British Columbia | 21 | 184,885 | 360,023 |
| Comparative Total for the | | | |
| Third Quarter - 1955 | 534 | 4,375,608 | 9,197,631 |
| 1954 | 487 | 7,688,396 | 10,688,079 |
| 1953 | 394 | 4,982,966 | 8,074,795 |
| 1952 | 300 | 4,263,762 | 6,750,173 |
| 1951 | 312 | 4,489,901 | 6,469,772 |
| 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 |
| 1944 | 57 | 373,165 | 797,283 |
| 1939 | 343 | 3,206,118 | 3,789,520 |
| 1932 | 556 | 6,841,455 | 8,791,501 |
| 1929 | 437 | 7,066,742 | 9,315,961 |

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 |
| July | - | - | - | - | 36 | 4 | - | - | - | - | 40 |
| August | - | - | - | - | 49 | 2 | - | - | - | 1 | 52 |
| September | - | - | - | - | 33 | 1 | - | - | - | - | 34 |

COMMERCIAL FAILURES IN CANADA BY QUARTERS



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