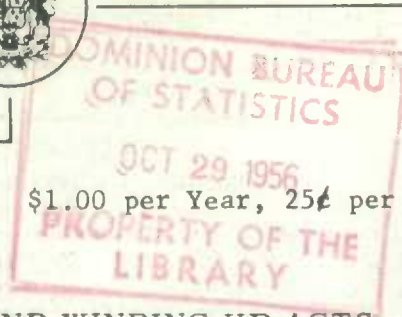


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COMMERCIAL FAILURES

UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

During the second quarter of 1956 there were 687 failures under the provisions of the Bankruptcy and Winding Up Acts, about 15 per cent above last year's second quarter total of 597. By contrast, estimated liabilities involved were \$13,175,000, a drop of 11 per cent from the 1955 second quarter total of \$14,796,000. The average value of liabilities per failure was slightly under \$19,200, or 23 per cent less than the corresponding second quarter average of \$24,800 one year ago.

Failures in the first six months of 1956 numbered 1,404, nearly 12 per cent more than the 1,258 insolvencies recorded in the first half of last year. Total estimated liabilities over the six months period, were \$32,614,000, 10 per cent above the 1955 six months total of \$29,654,000.

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 usually occurs, fell off from 499 in the first half of 1955 to 443. Failures of manufacturing establishments dropped sharply from 198 to 125 in this comparison. Service bankruptcies, however, advanced from 231 in the first six months of last year to 252. Construction insolvencies rose steeply from 86 in the first half of 1955 to 219.

Failures by Economic Areas

The number of failures in central Canada rose during the first half of 1956 as compared with the same period of the previous year. Bankruptcies in Quebec increased from 888 to 1,024 in this comparison, with insolvencies in Ontario advancing from 242 to 276. On the other hand, failures in Eastern and Western Canada fell off as compared with the first six months of 1955, with insolvencies in the Prairie region declining from 66 to 52, and in British Columbia from 43 to 37. Failures in the Atlantic region dropped from 19 to 15 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 Act. Statistics in this report relate to the Bankruptcy and Winding Up Acts only.

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

2103-502-66

TABLE 1 - COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1955 AND 1956

	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	
1953x ..	1,657	32,818	37	6	10	359	41	29	45	
1954x ..	2,278	53,142	48	17	15	416	44	31	56	
1955x ..	2,448r	59,138r	52	8	8	305	29	23	46	
<u>1955</u>										
Apr. ...	194	5,021	4	1	1	33	4	4	4	
May	199	5,832	5	1	1	30	3	3	4	
June ...	204	3,942	5	1	-	18	-	-	5	
July ...	161	2,912	4	-	1	16	1	-	3	
Aug. ...	177	3,563	3	-	-	20	2	-	5	
Sept. ...	199	3,882	5	1	-	11	-	1	3	
Oct. ...	217	4,280	1	2	-	23	2	-	4	
Nov. ...	223r	6,685r	3	-	-	20	2	-	3	
Dec. ...	213	8,161r	5	-	1	17	1	1	4	
<u>1956</u>										
Jan. ...	225	3,967r	2	-	-	16	3	-	2	
Feb. ...	227	6,422r	5	2	-	24	2	2	6	
Mar. ...	265r	9,049	4	1	1	21r	1	1	3	
Apr. ...	241	5,327	2	1	-	22	3	1	5	
May	229	3,824	2	2	-	19	1	3	3	
June ...	217	4,024	2	-	-	23	4	-	1	
	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
1953x ..	18	124	52	650	62	61	86	30	286	103
1954x ..	19	135	67	973	92	88	116	41	408	158
1955x ..	26	287	116	882	61	85	109	44	454	292
<u>1955</u>										
Apr. ...	-	9	4	88	5	8	11	3	39	12
May	4	13	5	87	9	9	10	4	38	15
June ...	3	20	17	71	2	13	13	1	40	31
July ...	2	28	16	50	2	4	6	2	27	17
Aug. ...	3	26	12	57	10	5	5	2	31	26
Sept. ...	1	31	17	67	2	6	9	3	39	25
Oct. ...	-	36	7	67	3	5	7	2	49	30
Nov. ...	5	35r	11	72	6	11	12	4	47	31
Dec. ...	4	45	11	70	1	3	6	1	30	33
<u>1956</u>										
Jan. ...	3	29	19	71	5	4	9	3	52	33
Feb. ...	3	44	19	58	4	5	8	1	41	33
Mar. ...	4r	46	19	77r	6	13r	11r	1	49r	46r
Apr. ...	4	35	11	93	8	9	4	2	41	34
May	3	40	19	81	6	9	4	2	33	31
June ...	5	25	16	63	6	3	4	1	36	51

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 SECOND QUARTER 1956, WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1956	1955	1954
TRADE								
General Stores	2	11	2	3	3	20	16	26
Grocery	1	16	3	-	-	21	30r	22
Confectionery	-	2	-	-	-	2	10	14
Drink and Tobacco	-	1	-	-	-	1	6r	5
Fish and Meat	-	5	4	-	-	9	15	15
Boots and Shoes	-	5	-	-	-	5	10	7
Dry Goods	-	4	-	-	-	4	13	12
Clothing	-	9	3	-	-	12	34	28
Furniture	-	8	4	2	2	16	11r	11
Books and Stationery ..	-	-	-	-	-	-	7r	9
Automobile	-	2	5	2	-	9	11	13
Hardware	-	3	6	3	1	13	10	6
Electrical Apparatus ..	-	13	6	3	5	27	19r	13
Jewelry	-	4	2	1	-	7	11r	5
Coal and Wood	-	2	-	-	-	2	2	6
Drugs and Chemicals ...	1	5	-	1	-	7	4	6
Miscellaneous	1	61	18	2	-	82	37r	36
Total Trade	5	151	53	17	11	237	246	234
MANUFACTURES								
Vegetable Foods	1	3	3	1	-	8	7	10
Drink and Tobacco	-	1	-	-	-	1	-	-
Animal Foods	-	-	-	-	-	-	4	9
Fur and Leather	-	4	-	-	-	4	7	7
Pulp and Paper	-	7	2	-	-	9	7	9
Textiles	-	1	-	-	-	1	14	11
Clothing	-	4	2	1	-	7	10	13
Lumber and Manufactures	-	5	3	-	1	9	13r	14
Iron and Steel	-	7	4	-	1	12	7r	8
Non-ferrous Metals	-	1	3	-	-	4	1	5
Non-metallic Minerals .	-	2	1	-	1	4	1	3
Drugs and Chemicals ...	-	2	-	-	-	2	7	-
Miscellaneous	-	1	2	-	-	3	3r	11
Total Manufactures	1	38	20	2	3	64	81	100
SERVICE								
Garage	-	18	4	3	1	26	16	17
Other custom and repair	-	14	-	-	-	14	21r	26
Personal Service	-	18	5	1	1	25	20r	19
Restaurants	-	20	6	2	-	28	24	13
Professional Service ...	-	6	-	-	-	6	12	11
Recreational Service ...	-	4	1	-	-	5	8	5
Business Service	-	5	1	-	-	6	16	10
Total Service	-	85	17	6	2	110	117r	101

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR THE SECOND QUARTER, 1956, WITH COMPARISONS - Concluded

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1956	1955	1954
OTHER								
Agriculture	-	6	-	-	-	6	14	12
Logging, Fishing and Trapping	-	2	1	-	-	3	3	2
Mining	-	-	-	-	-	-	2	2
Construction	-	66	22	6	6	100	42r	30
Transportation and Public Utilities ...	1	38	7	-	-	46	26r	22
Finance	-	5	-	-	-	5	8	8
Not Classified	-	108	6	1	1	116	58r	28
Total Other	1	225	36	7	7	276	153r	104
GRAND TOTAL	7	499	126	32	23	687	597r	539

TABLE 3. WAGE-EARNER FAILURES, SECOND QUARTER, 1956, WITH COMPARISONS^X

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1956	1955	1954
Trade	-	23	-	-	-	23	36	26
Manufactures	-	4	-	-	-	4	9	14
Service	-	33	2	-	-	35	16	16
Other	-	121	3	-	-	124	25	8
Total	-	181	5	-	-	186	86	64

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCE, SECOND QUARTER, 1956, WITH COMPARISONS

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	1	-	166	47	2	2	3	4	225
February	2	-	1	1	161	50	-	4	1	7	227
March	1	-	-	2	198	53	2	2	4	3	265
April	2	-	1	-	172	48	4	2	5	7	241
May	-	-	-	1	178	31	2	4	4	9	229
June	-	-	-	3	149	47	2	4	5	7	217
Six months' total 1956	5	-	3	7	1,024	276	12	18	22	37	1,404
Six months' total 1955	3	1	6r	9	888r	242	18	21r	27	43r	1,258r
Six months' total 1954	1	2	13	8	902	194	14	15	24	46	1,219

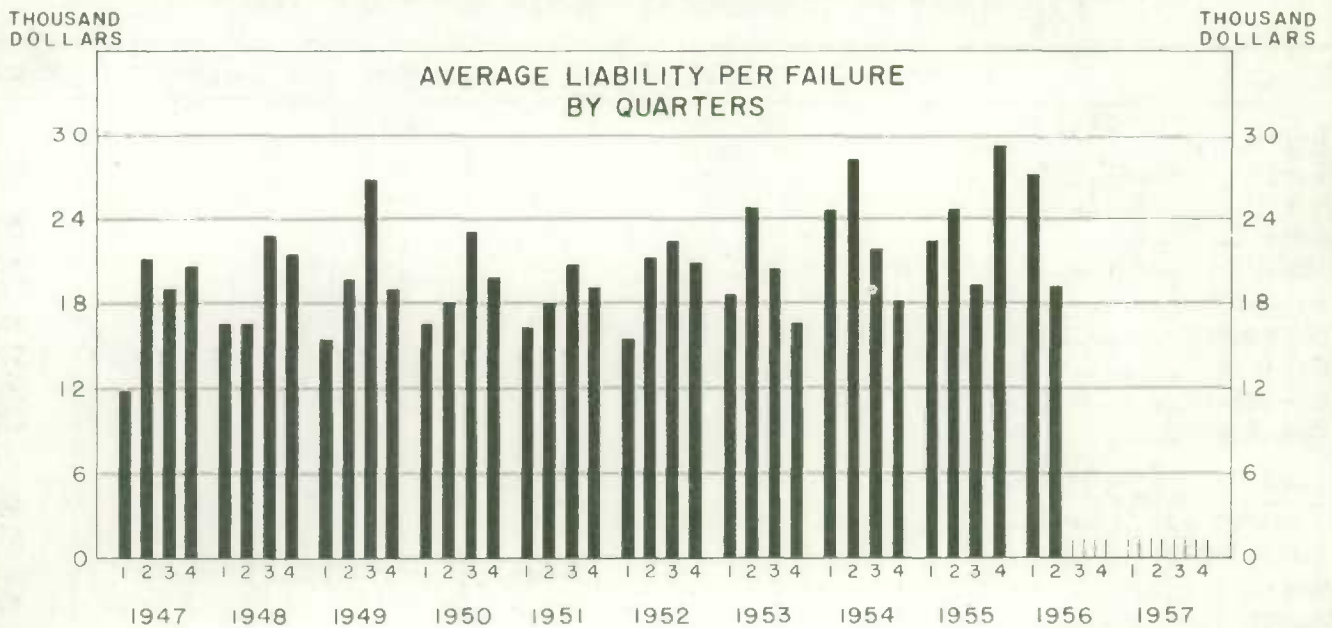
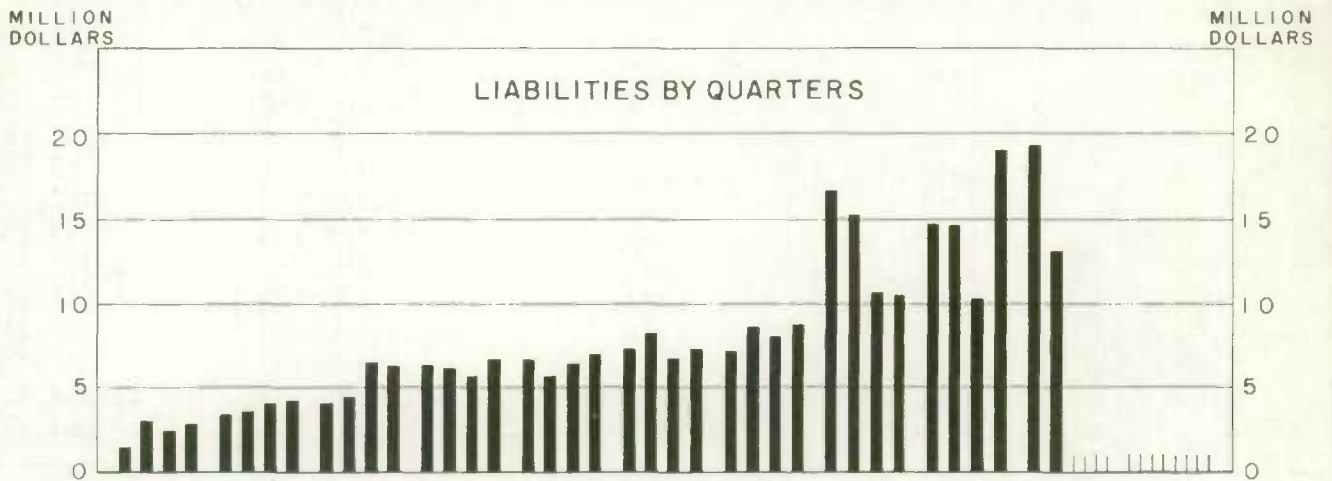
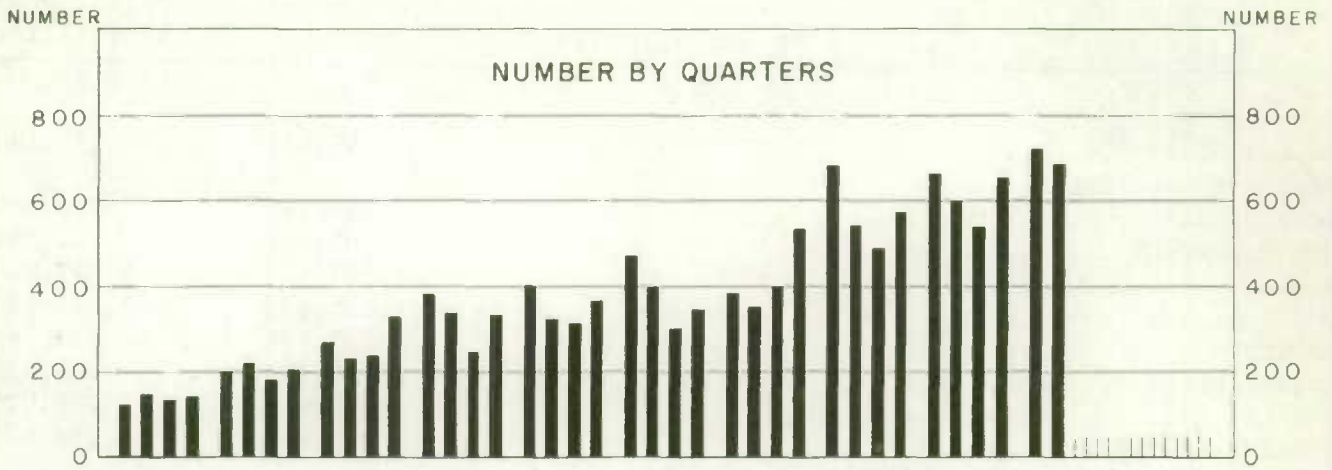
TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, SECOND QUARTER OF 1956, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
	\$	\$	\$
Newfoundland	2	59,602	77,125
Prince Edward Island	-	-	-
Nova Scotia	1	128,363	170,520
New Brunswick	4	45,248	71,162
Quebec	499	2,807,557	6,842,634
Ontario	126	2,098,635	3,789,278
Manitoba	8	181,774	239,745
Saskatchewan	10	199,748	245,528
Alberta	14	452,074	739,929
British Columbia	23	664,983	998,878
Comparative Total for the Second Quarter -			
1956	687	6,637,984	13,174,799
1955	597 r	10,035,975 r	14,795,742 r
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
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
<u>1955</u>											
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
October	-	-	-	-	51	1	-	-	-	-	52
November	-	-	1	-	49	-	-	-	-	-	50
December	-	-	1	1	41	3	1	1	-	-	48
<u>1956</u>											
January	-	-	2	-	56	-	1	-	-	-	59
February	-	-	1	-	60	4	-	-	-	2	67
March	1	-	1	-	56	4	1	-	-	1	64
April	1	-	-	-	54	6	1	-	-	1	63
May	-	-	-	-	70	4	-	-	-	-	74
June	-	-	-	-	59	6	-	-	-	-	65

COMMERCIAL FAILURES



COMMERCIAL FAILURES

YEAR	NUMBER	NUMBER BY QUARTERS	QUARTER
1900	100	25	1st
1901	120	30	2nd
1902	150	35	3rd
1903	180	40	4th
1904	200	45	1st
1905	220	50	2nd
1906	250	55	3rd
1907	280	60	4th
1908	300	65	1st
1909	320	70	2nd
1910	350	75	3rd
1911	380	80	4th
1912	400	85	1st
1913	420	90	2nd
1914	450	95	3rd
1915	480	100	4th
1916	500	105	1st
1917	520	110	2nd
1918	550	115	3rd
1919	580	120	4th
1920	600	125	1st
1921	620	130	2nd
1922	650	135	3rd
1923	680	140	4th
1924	700	145	1st
1925	720	150	2nd
1926	750	155	3rd
1927	780	160	4th
1928	800	165	1st
1929	820	170	2nd
1930	850	175	3rd
1931	880	180	4th
1932	900	185	1st
1933	920	190	2nd
1934	950	195	3rd
1935	980	200	4th
1936	1000	205	1st
1937	1020	210	2nd
1938	1050	215	3rd
1939	1080	220	4th
1940	1100	225	1st
1941	1120	230	2nd
1942	1150	235	3rd
1943	1180	240	4th
1944	1200	245	1st
1945	1220	250	2nd
1946	1250	255	3rd
1947	1280	260	4th
1948	1300	265	1st
1949	1320	270	2nd
1950	1350	275	3rd
1951	1380	280	4th
1952	1400	285	1st
1953	1420	290	2nd
1954	1450	295	3rd
1955	1480	300	4th
1956	1500	305	1st
1957	1520	310	2nd
1958	1550	315	3rd
1959	1580	320	4th
1960	1600	325	1st
1961	1620	330	2nd
1962	1650	335	3rd
1963	1680	340	4th
1964	1700	345	1st
1965	1720	350	2nd
1966	1750	355	3rd
1967	1780	360	4th
1968	1800	365	1st
1969	1820	370	2nd
1970	1850	375	3rd
1971	1880	380	4th
1972	1900	385	1st
1973	1920	390	2nd
1974	1950	395	3rd
1975	1980	400	4th
1976	2000	405	1st
1977	2020	410	2nd
1978	2050	415	3rd
1979	2080	420	4th
1980	2100	425	1st
1981	2120	430	2nd
1982	2150	435	3rd
1983	2180	440	4th
1984	2200	445	1st
1985	2220	450	2nd
1986	2250	455	3rd
1987	2280	460	4th
1988	2300	465	1st
1989	2320	470	2nd
1990	2350	475	3rd
1991	2380	480	4th
1992	2400	485	1st
1993	2420	490	2nd
1994	2450	495	3rd
1995	2480	500	4th
1996	2500	505	1st
1997	2520	510	2nd
1998	2550	515	3rd
1999	2580	520	4th
2000	2600	525	1st
2001	2620	530	2nd
2002	2650	535	3rd
2003	2680	540	4th
2004	2700	545	1st
2005	2720	550	2nd
2006	2750	555	3rd
2007	2780	560	4th
2008	2800	565	1st
2009	2820	570	2nd
2010	2850	575	3rd
2011	2880	580	4th
2012	2900	585	1st
2013	2920	590	2nd
2014	2950	595	3rd
2015	2980	600	4th
2016	3000	605	1st
2017	3020	610	2nd
2018	3050	615	3rd
2019	3080	620	4th
2020	3100	625	1st
2021	3120	630	2nd
2022	3150	635	3rd
2023	3180	640	4th
2024	3200	645	1st
2025	3220	650	2nd
2026	3250	655	3rd
2027	3280	660	4th
2028	3300	665	1st
2029	3320	670	2nd
2030	3350	675	3rd

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