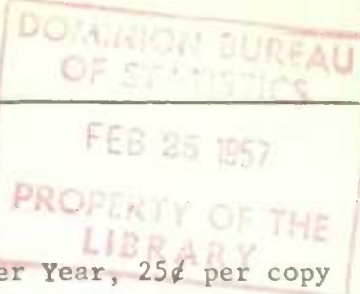


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## DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

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COMMERCIAL FAILURESUNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

During the third quarter of 1956, there were 693 failures under the provisions of the Bankruptcy and Winding Up Acts, 29 per cent above last year's third quarter total of 537. Estimated liabilities involved amounted to \$13,555,000, as compared with \$10,357,000 in the third quarter of 1955, an advance of nearly 31 per cent. The average value of liabilities per failure was \$19,560, slightly higher than the average of \$19,290 for the third quarter of the previous year.

Failures in the first nine months of 1956 numbered 2,103, over 17 per cent higher than the 1,795 insolvencies recorded in the first nine months of 1955. Total estimates liabilities were \$46,340,000, nearly 16 per cent above the corresponding total of \$40,011,000 in the previous year.

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 673 in the first nine months of 1955 to 644. Failures of manufacturing establishments declined by 25 per cent in the nine month comparison, from 245 to 181. Insolvencies in the construction field, however, rose to 341 in the first three quarters of 1956, double the corresponding 1955 figure of 171. Service bankruptcies rose from 328 to 374 in the same comparison.

Failures by Economic Areas

The number of failures in Quebec province rose from 1,294 in the first nine months of 1955 to 1,584. Insolvencies in Ontario advanced from 322 to 371 in this comparison, while bankruptcies in the Atlantic Provinces rose slightly from 28 to 29. In Western Canada, however, the number of failures declined as compared with the first nine months of 1955. Insolvencies in the Prairie region dropped from 86 to 73, and in British Columbia from 65 to 46.

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.

2103-502-96

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 ..	2,448	59,138	52	8	8	305	29	23	46	
1955										
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. ...	223	6,685	3	-	-	20	2	-	3	
Dec. ...	213	8,161	5	-	1	17	1	1	4	
1956										
Jan. ...	225	3,967	2	-	-	16	3	-	2	
Feb. ...	227	6,422	5	2	-	24	2	2	6	
Mar. ...	265	9,049	4	1	1	21	1	1	3	
Apr. ...	241	5,327	2	1	-	22	3	1	5	
May ....	229	3,824	2	2	-	19	1	3	3	
June ...	223r	4,195r	3r	-	-	23	4	-	1	
July ...	241	4,454	8	-	1	25	4	2	5	
Aug. ...	240	5,226	3	2	-	19	1	1	5	
Sept. ...	212	3,875	2	1	-	12	2	1	4	
	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
1955										
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	35	11	72	6	11	12	4	47	31
Dec. ...	4	45	11	70	1	3	6	1	30	33
1956										
Jan. ....	3	29	19	71	5	4	9	3	52	33
Feb. ...	3	44	19	58	4	5	8	1	41	33
Mar. ...	4	46	19	77	6	13	11	1	49	46
Apr. ...	4	35	11	93	8	9	4	2	41	34
May ....	3	40	19	81	6	9	4	2	33	31
June ...	5	26r	15r	65r	6	4	4	1	36	54r
July ...	2	44	18	70	3	10	10	1	43	31
Aug. ...	1	38	23	62	5	4	7	1	47	45
Sept. ...	1	39	12	67	7	7	6	2	32	45

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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 1956 WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1956	1955	1954
<b>TRADE</b>								
General Stores .....	2	8	2	3	-	15	14	12
Grocery .....	-	15	5	1	-	21	15r	19
Confectionery .....	-	5	1	-	-	6	8	12
Drink and Tobacco .....	-	2	-	-	-	2	1	3
Fish and Meat .....	-	5	3	-	-	8	11	10
Boots and Shoes .....	-	-	2	-	-	2	6	7
Dry Goods .....	1	1	1	-	-	3	1	10
Clothing .....	-	14	6	3	-	23	20	24
Furniture .....	-	10	1	-	-	11	9	10
Books and Stationery ....	-	-	1	-	-	1	-	14
Automobile .....	1	1	2	-	-	4	11	12
Hardware .....	-	2	2	3	-	7	7r	4
Electrical Apparatus.....	-	2	3	1	2	8	9r	14
Jewellery .....	-	2	-	-	-	2	3	8
Coal and Wood .....	1	6	-	-	-	7	4	8
Drugs and Chemicals .....	-	3	1	-	-	4	3	10
Miscellaneous .....	-	71	4	-	-	75	52	14
Total Trade .....	5	147	34	11	2	199	174r	191
<b>MANUFACTURERS</b>								
Vegetable Foods .....	-	5	1	1	-	7	3	9
Drink and Tobacco .....	-	1	-	-	-	1	-	3
Animal Foods .....	-	-	3	-	-	3	1	9
Fur and Leather .....	-	4	-	-	-	4	1	7
Pulp and Paper .....	-	5	-	-	-	5	8	3
Textiles .....	-	-	-	-	-	-	6	10
Clothing .....	-	5	2	-	-	7	9r	15
Lumber and Manufacturers.	2	10	-	-	2	14	11r	7
Iron and Steel .....	-	3	1	-	-	4	6	4
Non-ferrous Metals .....	-	2	2	-	-	4	-	7
Non-metallic Minerals ...	-	1	-	-	-	1	1	2
Drugs and Chemicals .....	-	-	-	-	-	-	-	1
Miscellaneous .....	-	5	1	-	-	6	1	14
Total Manufactures .....	2	41	10	1	2	56	47	91
<b>SERVICE</b>								
Garage .....	1	16	3	-	-	20	13r	18
Other custom and repair .	1	24	5	-	-	30	17r	21
Personal Service .....	-	16	4	1	-	21	23r	19
Restaurants .....	-	26	5	2	-	33	23	18
Professional Service ....	-	12	-	-	-	12	8	8
Recreational Service ....	-	2	1	-	-	3	7	7
Business Service .....	-	2	1	-	-	3	6	8
Total Service .....	2	98	19	3	-	122	97r	99



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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1956	1955	1954
OTHER								
Agriculture .....	-	12	1	-	-	13	12	12
Logging, Fishing and Trapping .....	-	2	-	-	1	3	1	1
Mining .....	-	1	-	-	-	1	1	2
Construction .....	2	86	28	3	2	121	85r	30
Transportation and Public Utilities ....	-	51	1	1	-	53	45	11
Finance .....	-	4	-	-	-	4	7r	9
Not Classified .....	3	113	2	2	1	121	68r	41
Total Other .....	5	269	32	6	4	316	219r	106
GRAND TOTAL .....	14	555	95	21	8	693	537r	487

TABLE 3. WAGE-EARNER FAILURES, THIRD QUARTER, 1956 WITH COMPARISONS<sup>X</sup>

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1956	1955	1954
Trade .....	-	22	-	-	-	22	26	29
Manufactures .....	-	7	-	-	-	7	14	13
Service .....	-	25	-	-	-	25	11	16
Other .....	1	156	1	-	1	159	102	8
Total .....	1	210	1	-	1	213	153	66

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCE, THIRD 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	154r	47	2	4	5	8r	223r
July .....	1	-	1	1	197	33	1	3	2	2	241
August .....	2	-	1	3	192	32	3	2	2	3	240
September .....	1	2	-	2	166	30	1	1	6	3	212
Nine months' total 1956	9	2	5	13	1,584	371	17	24	32	46	2,103
Nine months' total 1955	6	2	7r	13	1,294r	322	22	30r	34	65r	1,795r
Nine months' total 1954	2	2	14	17	1,232	307	17	24	32	59	1,706

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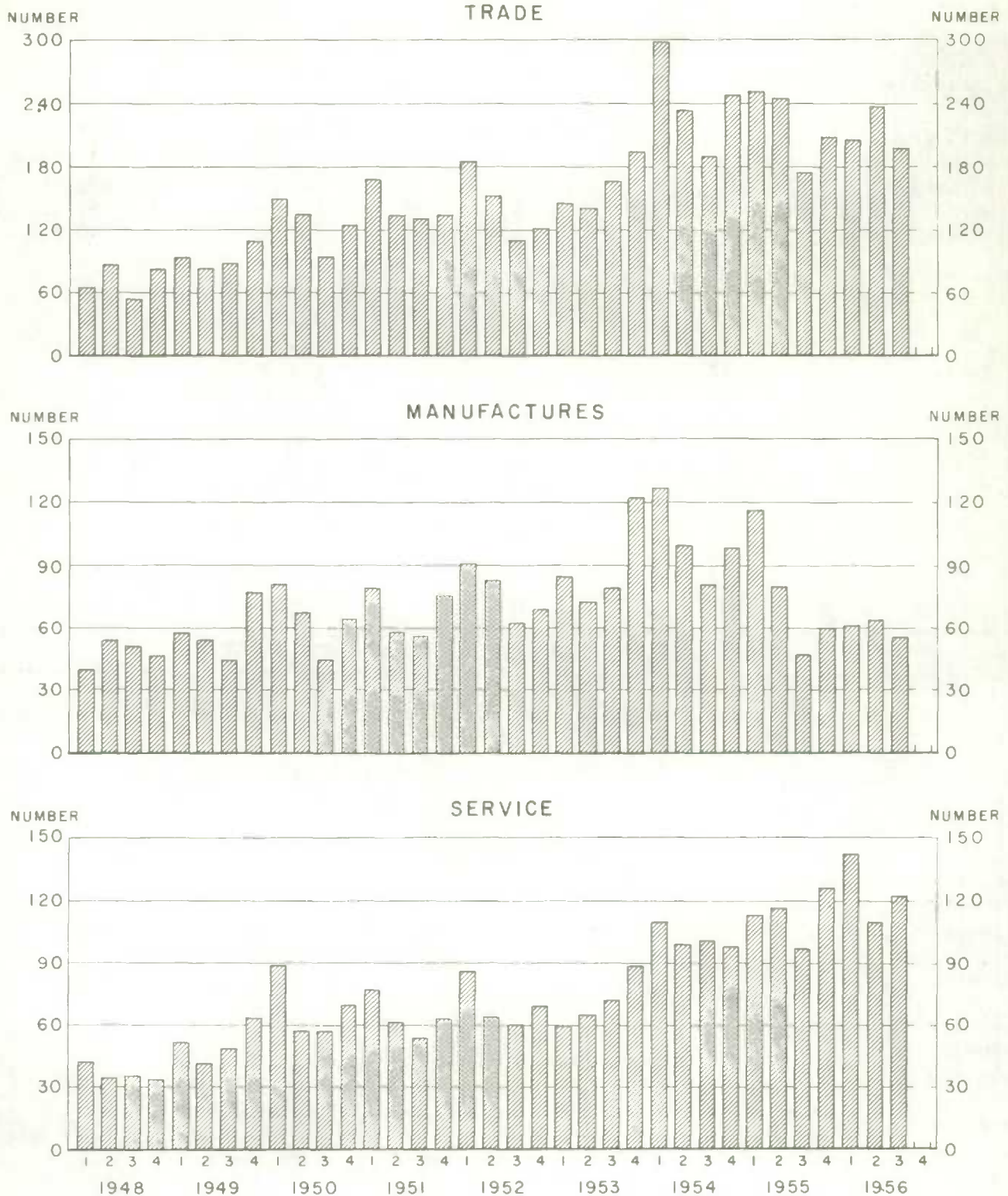
TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, THIRD QUARTER OF 1956, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Newfoundland .....	4	323,289	502,498
Prince Edward Island .....	2	..	..
Nova Scotia .....	2	160,052	283,691
New Brunswick .....	6	132,954	178,356
Quebec .....	555	3,408,192	8,473,318
Ontario .....	95	1,659,545	2,996,767
Manitoba .....	5	23,034	86,991
Saskatchewan .....	6	254,264	293,111
Alberta .....	10	100,704	189,110
British Columbia .....	8	287,597	550,730
Comparative Total for the			
Third Quarter - 1956 .....	693	6,349,631	13,554,572
1955.....	537r	5,201,472r	10,357,301r
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
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
<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
July .....	-	-	-	-	60	2	-	-	-	-	62
August .....	1	-	-	-	44	2	-	-	-	-	47
September .....	-	-	-	-	49	1	-	-	-	-	50

# COMMERCIAL FAILURES IN CANADA BY QUARTERS





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