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COMMERCIAL FAILURES<br>Under the Provisions of the Bankruptcy and Winding Up Acts

During the first quarter of 1962 the total number of business failures recorded under the provisions of the Bankruptcy and Winding Up Acts was 839 in comparison with 759 for the first quarter of 1961. The estimated total liabilities was $\$ 30,467,000$ for the first quarter of 1962 as compared with $\$ 30,974,000$ for the same period last year. Average liabilities per failure was $\$ 30,500$ compared with $\$ 31,000$ for the first quarter of 1961.

## Failures and Liabilities by Industries

The largest number of failures occurred in the trade sector with 397 recorded in this industry as compared with 342 for the first quarter of the previous year. Insolvencies in food stores showed little change. Automotive products stores increased from 72 to 94 and apparel stores from 61 to 75. Business failures of miscellaneous stores increased from 12 to 33. Bankruptcies in the manufacturing industries increased from 81 to 90 and the construction industry showed little change in the first quarter comparison. Failures in the service sector decreased from 122 to 113 . Total liabilities were slightly lower in the first quarter of 1962 as compared with the same period last year.

## Failures and Liabilities by Economic Areas

There were 443 bankruptcies in Quebec during the first quarter of 1962 in comparison with 437 recorded in the same period of 1961. Estimated liabilities declined from $\$ 13,102,000$ in 1961 to $\$ 11,538$, 000 in 1962. Average liabilities decreased from $\$ 30,000$ in 1961 to $\$ 26,000$ in 1962. In Ontario the number of business fallures increased from 244 in the first quarter of 1961 to 298 in the same quarter of 1962 but the average liabilities per failure decreased from $\$ 49,200$ to $\$ 46,600$. The number of insolvencies in the Prairie Provinces increased sharply from 28 to 49 but liabilities decreased from $\$ 2,954,000$ to $\$ 1,766,000$ in the first quarter comparison with average liabilities per failure declining from $\$ 69,800$ in 1961 to $\$ 36,000$ in 1962. Failures in British Columbia fncreased slightly but the liabilities decreased from $\$ 3,505,000$ to $\$ 2,634,000$ with average liabilities per failure showing a sharp drop from $\$ 92,200$ in the first quarter of 1961 to $\$ 61,300$ in the same period of 1962 .

## Fallures by Size of Liability

The data presented in Table 4 indicate that the greatest number of fallures involved businesses in the $\$ 5,000$ to $\$ 25,000$ liability range. Failures in the $\$ 100,000$ and over bracket increased from 51 to 62 .

## Coverage

The statistics in this report are limited to bankruptcies made under federal legislation (the Bankruptcy and Winding Up Acts) and do not include failures, sales or seizures carried out apart from such legislation. Proposals from insolvent persons are not included with the bankruptcy data, but when 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 to give a general impression of the trend.

Prepared in the Business Finance Division

First Quarter, 1962 with Comparative Figures for 196 :

|  |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

TABLE 1. Commercial Failure by Economic Areas and Industries
First Quarter 1962, with Comparative Figures for 1961

| First quarter |  |  |  |  |  |  |  | 10. |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Prairie Provinces |  | British Columbla |  | Total |  |  |  |  |
|  |  | Number | Liablitites |  |  |
| 1961 | 1962 |  |  | 1961 | 1962 | 1961 | 1962 |  | 1961 | 1962 |
| 1 |  |  |  |  |  | \$'000 | \$ ${ }^{\prime} 000$ |  |
|  | 2 | 1 | 2 | 17 | 23 | 1,041 | 627 | 1 |
| = | 1 | 1 | 1 | 8 | 14 | 447 | 875 | 2 |
| - | , |  | 1 | - | 2 | - | 96 | 3 |
| - | - | - | 1 | 12 | 14 | 555 | 1,505 | 4 |
| - | 1 | 5 | 3 | 26 | 23 | 1,833 | 1,613 | 5 |
| - | - | - | 1 | 7 | 7 | 151 | 335 | 6 |
| - | - | - | - | 7 | 4 | 1,013 | 385 | 7 |
| - | - | - | - | 1 | 1 | 123 | 43 | 8 |
| - | - | - | - | 2 | 1 | 70 | 68 | 9 |
| - | - | - | 1 | 3 | 4 | 54 | 938 | 10 |
| - | 1 | - | - | 3 | 5 | 1,196 | 222 | 11 |
| - |  | - | - | 1 | 2 | - 2 | 76 | 12 |
| - | - | - | - | 11 | 13 | 230 | 431 | 13 |
| - | 3 | 6 | 7 | 81 | 90 | 5,674 | 6,587 | 14 |
| 4 | 4 | - | 4 | 57 | 55 | 2,897 | 2,689 | 15 |
| 5 | 9 | 5 | 2 | 89 | 92 | 3,127 | 2,301 | 16 |
| 9 | 13 | 5 | 6 | 146 | 147 | 6,024 | 4.990 | 17 |
| 1 | 3 | 2 | 3 | 33 | 46 | 780 | 1,095 | 18 |
| - | 5 | - | 3 | 66 | 64 | 1,631 | 3,221 | 19 |
| - | - | 1 | - | 12 | 10 | 476 | 602 | 20 |
| 11 | 6 | 4 | 3 | 72 | 94 | 1,557 | 2,410 | 21 |
| - | 1 | 5 | 6 | 61 | 75 | 3,235 | 1,805 | 22 |
| 2 | 7 | 6 | 3 | 41 | 41 | 2,852 | 1,727 | 23 |
| 2 | 2 | 6 | 5 | 42 | 33 | 1,140 | 1,092 | 24 |
| - | 1 | 1 | , | 3 | 4 | 368 | 88 | 25 |
| 3 | 1 | 1 | 3 | 45 | 76 | 2,137 | 1,820 | 26 |
| 16 | 23 | 18 | 23 | 342 | 397 | 13,396 | 12,765 | 27 |
| 1 | - | 5 | - | 18 | 23 | 1,456 | 2,594 | 28 |
| - | - | - | - | 3 | 5 | 19 | 37 | 29 |
| - | - | - | 1 | 4 | 7 | 149 | 128 | 30 |
| - | - | - | - | 24 | 17 | 874 | 414 | 31 |
| - | 4 | 1 | 1 | 74 | 76 | 1,406 | 1,119 | 32 |
| - | 1 | - | - | 17 | 8 | 155 | 110 | 33 |
| - | 5 | 1 | 2 | 122 | 113 | 2,603 | 1,808 | 34 |
| 28 | 49 | 38 | 43 | 759 | 839 | 30,974 | 30,467 | 35 |

TABLE 2. Comercial Failures and Eatimated Liabilities by Monthend Industiee with Cumulative Data

|  | Totel |  | Prínery induatries |  | Menufacturing indueties |  |  |  |  |  |  |  |  |  | Conetruction |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Number | Liab. | Number | Llab. | Total |  | Wood industries including furniture |  | Primary and fabricated metala industries |  | Mechinery <br> industriea |  | Trensportation equipment |  | Number | Lisb. |
|  |  |  |  |  | Number | Liab. | Number | Liab. | Number | Liab. | Number | Ilab. | Number | ILub. |  |  |
|  | \$'000 |  | \$1000 |  | \$ 000 |  | \$ 000 |  | \$1000 |  | \$1000 |  | \$1000 |  | \$'000 |  |
| 1961-January... | 260 | 13,202 | 3 | 375 | 29 | 2,055 | 14 | 1,465 | 1 | 25 | - | - | - | - | 44 | 1,665 |
| February. . | 244 | 9,818 | 7 | 358 | 24 | 2,608 | 6 | 155 | 3 | 919 | - | - | 1 | 20 | 52 | 2,394 |
| March.... | 255 | 7,954 | 7 | 308 | 28 | 1,011 | 6 | 213 | 3 | 69 | 1 | 123 | 1 | 50 | 50 | 1,965 |
| Apri1..... | 192 | 8,696 | 7 | 379 | 16 | 835 | 2 | 354 | 2 | 48 | - | - | 1 | 102 | 30 | 2,258 |
| May....... | 258 | 9,336 | 7 | 120 | 31 | 895 | 5 | 114 | 6 | 125 | 1 | 20 | 2 | 102 | 46 | 2,157 |
| June...... | 221 | 6,430 | 7 | 190 | 29 | 1,437 | 11 | 364 | 4 | 62 | - | 2 | - | 102 | 35 | 1,013 |
| July...... | 190 | 13,747 | 10 | 3,708 | 17 | 1,761 | 1 | 24 | 2 | 168 | 1 | 175 | 1 | 399 | 35 | 1,935 |
| August.... | 190 | 6,001 | 8 | 428 | 20 | 1,475 | 6 | 278 | 3 | 551 | - | - | - | 990 | 26 | 1,996 |
| September. | 198 | 7,213 | 4 | 285 | 18 | 873 | 5 | 314 | 1 | 82 | - | - | 1 | 61 | 26 | 1,161 |
| October... | 216 | 7,655 | 5 | 116 | 14 | 579 | 1 | 16 | 1 | 25 | - | - | - | - | 43 | 1,975 |
| November. . | 213 | 5,724 | 6 | 200 | 23 | 943 | 3 | 147 |  | 155 | 2 | 131 | 1 | 20 | 47 | 1,529 |
| December.. | 170 | 8,169 | 4 | 1,074 | 19 | 2,124 | 3 | 147 | - |  | - | - | 2 | 85 | 23 | 1,825 |
| 1962-January... |  |  |  |  | 29 | 1,147 | 5 | 141 | 1 | 14 | 1 | 43 | - | - | 42 | 1,175 |
| February.. | 268 | 13,320 | 6 | 92 | 31 | 3,444 | 10 | 1,224 | - | - | - | - | - | - | 45 | 1,465 |
| March.... |  | 10,234 | 12 | 292 | 30 | 1,996 | 8 | 248 | 3 | 371 | - | - | 1 | 68 | 60 | 2,350 |
| $\begin{aligned} & \text { April...... } \\ & \text { May......... } \\ & \text { June...... } \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| July....... <br> August.... <br> September. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| October... <br> November. . <br> December.. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Three months |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1961 ..... | 759 | 30,974 | 17 | 1,041 | 81 | 5,674 | 26 | 1,833 | 7 | 1,013 | 1 | 123 | 2 | 70 | 146 | 6,024 |
| Three monthe |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1962 ..... | 839 | 30,467 | 23 | 627 | 90 | 6,587 | 23 | 1,613 | 4 | 385 | 1 | 43 | 1 | 68 | 147 | 4,990 |

table 2. Comercial faliures and Eatimated Liabilities by Months and Industries wich Cumulative Data - Concluded


TABLE 3. Comercial Failures and Estimated Liabilities by Months, Provinces and Selected Cities, with Cumulative Data

|  | Atlantic <br> Provinces |  | Quebec |  | Ontario |  | Manitoba |  | Saskatchewan |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Number | Liab. | Number | Liab. | Number | Liab. | Number | Lab. | Number | Liab. |
|  |  | \$ '000 |  | \$'000 |  | \$ ${ }^{\prime} 000$ |  | \$ ${ }^{1000}$ |  | \$ ${ }^{1} 000$ |
| 1961-January | $=$ | - | 154 | 5,883 | 86 | 3,865 | 4 | 1,148 | - | - |
| February | 4 | 49 | 152 | 4,104 | 63 | 4,449 | 5 | 115 | 4 | 51 |
| March .. | 8 | 360 | 131 | 3,115 | 95 | 3,690 | 2 | 130 | 2 | 51 |
| April | 6 | 875 | 102 | 2,953 | 79 | 4,698 | - | - | 3 | 101 |
| May . | 2 | 22 | 141 | 4,894 | 99 | 3,873 | 5 | 243 | 3 | 117 |
| June | 8 | 343 | 116 | 3,344 | 79 | 2,319 | 2 | 33 | - | - |
| July | 4 | 79 | 92 | 3,514 | 75 | 8,743 | 2 | 189 | 3 | 40 |
| August .... | 5 | 160 | 104 | 3,108 | 68 | 1,984 | 3 | 135 | 2 | 38 |
| September . | 1 | 10 | 102 | 3,200 | 78 | 3,100 | 5 | 335 | 1 | 20 |
| October. | 3 | 122 | 121 | 4,501 | 73 | 2,587 | 3 | 170 | 2 | 8 |
| November | 5 | 170 | 124 | 2,727 | 70 | 2,304 | 2 | 65 | 1 | 3 |
| December | 2 | 1,266 | 88 | 1,845 | 61 | 2,967 | 4 | 836 | 2 | 23 |
| 1962-January | - | * | 136 | 2,754 | 100 | 3,365 | 1 | 48 | 4 | 73 |
| February . | 3 | 76 | 136 | 4,537 | 93 | 6,326 | 5 | 479 | 2 | 55 |
| March ..... | 3 | 561 | 171 | 4,247 | 105 | 4,201 | 3 | 226 | 2 | 9 |
| April ...... |  |  |  |  |  |  |  |  |  |  |
| May . . . ..... |  |  |  |  |  |  |  |  |  |  |
| June ....... |  |  |  |  |  |  |  |  |  |  |
| July ...... |  |  |  |  |  |  |  |  |  |  |
| August .... |  |  |  |  |  |  |  |  |  |  |
| September - . |  |  |  |  |  |  |  |  |  |  |
| October .... |  |  |  |  |  |  |  |  |  |  |
| November |  |  |  |  |  |  |  |  |  |  |
| December... |  |  |  |  |  |  |  |  |  |  |
| Three month 2961 | 12 |  |  |  | 244 |  | 11 | $1,393$ | 6 | 102 |
| Three months 1962 | 6 | 637 | 443 | 11,538 | 298 | 13,892 | 9 | $753$ | 8 | 137 |
|  | Alberta |  | British <br> Columbia |  | Canada |  | Toronto |  | Montreal |  |
|  | Number | Lab. | Number | Liab. | Number | Liab. | Number | Lab. | Number | Liab. |
|  | \$'000 |  | \$ 000 |  | \$'000 |  | \$ 000 |  | \$'000 |  |
| 1961-January | 4 | 271 | 12 2,035 |  | 260 | 13,202 | 31 2,118 |  | 90 | 4,501 |
| February | 2 | 73 | 14 | 977 | 244 9,818 |  | 26 2,368 |  | 75 | 2,517 |
| March . . | 5 | 115 | 12 | 493 | 255 7,954 |  | $35 \quad 947$ |  | 69 | 1,523 |
| April. | 1 | 28 | 141 |  | 192 8,696 |  | 411.938 |  | 53 2,088 |  |
| May . | 2 | 31 |  |  | 258 9,336 |  | $24 \quad 908$ |  | 73 2,437 |  |
| June | 9 | 172 | $\begin{array}{ll}6 & 156 \\ 7 & 219\end{array}$ |  | 221 6,430 |  | 29 1,141 |  | 65 2,440 |  |
| July | 4 | 151 | $10 \quad 1.031$ |  | 190 | 13,747 | 26 3,761 |  | $45 \quad 1,642$ |  |
| August .. | 4 | 57 |  |  | 190 6,001 |  | $25 \quad 718$ |  | 47 1,173 |  |
| September | 4 | 55 | $\begin{array}{ll}4 & 519 \\ 7 & 493\end{array}$ |  | 198 7,213 |  | 3315 |  | 431,460 |  |
| October | 6 | 85 |  |  | 216 7,655 |  | 24 1,274 |  | $59 \quad 2,633$ |  |
| November . . | 4 | 153 | $\begin{array}{ll}8 & 182 \\ 7 & 301\end{array}$ |  | 213 5,724 |  | 27 1,173 |  | $60 \quad 1,330$ |  |
| December ... | 7 | 1,095 | 6138 |  | 170 | 8,169 | $23 \quad 912$ |  | $42 \quad 923$ |  |
| 1962-January | 7 | 161 | 15 | 512 | 263 | 6,913 | 40 | $\begin{aligned} & 1,664 \\ & 4,929 \\ & 2,209 \end{aligned}$ | $\begin{aligned} & 74 \\ & 84 \\ & 94 \end{aligned}$ | $\begin{aligned} & 1,432 \\ & 3,105 \\ & 2,890 \end{aligned}$ |
| February | $\begin{aligned} & 11 \\ & 14 \end{aligned}$ | 528 | 18 | 1,318 | 268 | 13,320 | 35 |  |  |  |
| March ...... |  | 187 | 10 | 804 | 308 | 10,234 | 38 |  |  |  |
| April .............. |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| May ............... |  |  |  |  |  |  |  |  |  |  |
| July .............. |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| October ..... |  |  |  |  |  |  |  |  |  |  |
| December |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Three monthe 1961 | 11 | 459 | 38 | 3,505 | 759 | 30,974 | 92 | 5,433 | 234 | 8,541 |
| Three montlis 1962 | 32 | 876 | 43 | 2,634 | 839 | 30,467 | 113 | 8,802 | 252 | 7,427 |

TABLE 4. Comercial Failures by Major Industries, and Provinces, according to Size of Liabilities


Manufacturing


## Construction

| Under \$5,000 | 11 | 9 | 10 | 7 | 37 | 15 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 72 | 62 | 42 | 71 | 247 | 84 |
| 25,000 ${ }^{11}$ 50,000 | 35 | 21 | 15 | 15 | 86 | 24 |
| 50,000 " 100,000 | 18 | 10 | 10 | 11 | 49 | 13 |
| Over \$100,000 | 10 | 9 | 10 | 11 | 40 | 12 |
| Totale....... | 146 | 111 | 87 | 115 | 459 | 148 |

## Trade


40
196
58
28
20
342
37
193
56
19
17
322
28
184
50
17
23
302
24
166
44
27
8
269

| 129 | 41 |
| ---: | ---: |
| 739 | 244 |
| 208 | 64 |
| 91 | 27 |
| 68 | 21 |
| 1,235 | 397 |

## Service

|  | Under \$5,000 |
| :---: | :---: |
|  | \$ 5,000 co \$ 25,000 |
|  | 25,000 " 50,000 |
|  | S0,000 "1 100,000 |
|  | Over $\$ 100,000$ |
|  | Totals |

21
80
10
8
3
122

| 13 | 13 |
| ---: | ---: |
| 65 | 39 |
| 15 | 12 |
| 6 | 11 |
| 3 | 1 |
| 102 | 76 |


| 16 | 63 | 30 |
| ---: | ---: | ---: |
| 57 | 241 | 62 |
| 14 | 51 | 13 |
| 3 | 28 | 6 |
| 4 | 11 | 2 |
| 94 | 394 | 113 |

## Total Camina

| Under \$5,000 | 86 | 69 | 54 | 59 | 268 | 98 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 416 | 394 | 321 | 356 | 1,487 | 484 |
| 25,000 $\quad$ " 50,000 | 134 | 120 | 93 | 93 | 440 | 130 |
| $50,000^{\prime \prime} 100,000$ | 72 | 47 | 57 | 58 | 234 | 65 |
| Over \$100,000 | 51 | 41 | 53 | 33 | 178 | 62 |
| Totals | 759 | 671 | 578 | 599 | 2,607 | 839 |

## quebec

|  | Under \$5,000 |
| :---: | :---: |
|  | \$ 5,000 to \$ 25,000 |
|  | $25,000^{\prime \prime} 50,000 \ldots$ |
|  | $50,000^{\prime \prime} 100,000 \ldots$ |
|  | Over \$100,000 |
|  | Totals................ |

## Ontario


21
121
55
28
19
244
23
137
57
21
19
257
19
113
39
27
23
221

| 11 | 74 | 21 |
| ---: | ---: | ---: |
| 122 | 493 | 167 |
| 39 | 190 | 53 |
| 18 | 94 | 28 |
| 14 | 75 | 29 |
| 204 | 926 | 298 |

TABLE 5. Average Estimated LLability per Fallure by Months, Economic Areas and Selected Industry Groups


TABLE 6. Wage-Earmer Fallures and Proposals, by Months and Economic Arass

|  | Wage-earner fallures |  |  |  |  |  | Proposals |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Canada | Atlantic Provinces | Quebec | Ontario | Pratrie Provinces | British <br> Coluabia | Canada | Quebec | Ontario | Other Proyinces |
| 1961-January | 60 | - | 44 | 12 | 3 | 1 | 59 | 53 | 6 | - |
| February .. | 93 | - | 67 | 24 | 1 | 1 | 70 | 52 | 13 | 5 |
| March ..... | 84 | - | 68 | 11 | 2 | 3 | 68 | 51 | 11 | 6 |
| April | 47 | 1 | 29 | 14 | 2 | 1 | 64 | 53 | 9 | 2 |
| May . . . . . | 82 | 1 | 53 | 26 | - | 2 | 38 | 34 | 2 | 2 |
| June ...... | 93 | - | 64 | 25 | 2 | 2 | 37 | 33 | 2 | 2 |
| July . | 63 | - | 41 | 15 | 2 | 5 | 35 | 27 | 8 | - |
| August . . . | 91 | 2 | 64 | 20 | 4 | 1 | 45 | 38 | 4 | , |
| Seprember. | 87 | - | 59 | 24 | 2 | 2 | 42 | 35 | 6 | 1 |
| October . ... | 93 | - | 58 | 29 | 4 | 2 | 39 | 30 | 6 | 1 |
| November . . | 81 | 2 | 53 | 21 | 4 | 1 | 46 | 39 | 6 | 3 |
| December . . | 74 | 1 | 50 | 20 | 2 | 1 | 42 | 34 |  | 3 |
| 1962-January | 75 | - | 51 | 20 | 1 | 3 | 53 |  |  |  |
| February . | 75 | - | 39 | 26 | 8 | 2 | 53 | 38 | 11 | 4 |
| March .. | 92 | - | 63 | 24 | 3 | 2 | 60 | 45 | 11 | 4 |
| April ..... |  |  |  |  |  |  |  |  |  |  |
| May . ......... |  |  |  |  |  |  |  |  |  |  |
| June ......... |  |  |  |  |  |  |  |  |  |  |
| July ......... |  |  |  |  |  |  |  |  |  |  |
| August ...... |  |  |  |  |  |  |  |  |  |  |
| September . |  |  |  |  |  |  |  |  |  |  |
| October .... |  |  |  |  |  |  |  |  |  |  |
| November . |  |  |  |  |  |  |  |  |  |  |
| December . |  |  |  |  |  |  |  |  |  |  |
| Three months 1961 | 237 | - | 179 | 47 | 6 | 5 | 197 | 156 | 30 | 11 |
| Three months 1962 | 242 | - | 153 | 70 | 12 | 7 | 166 | 129 | 28 | 9 |

