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## OTTAWA - CANADA

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The total number of business failures under the provisions of the Bankruptcy and wading. Up Acts during the second quarter of 1966 has been estimated at 749 compared with 830 for the secona duarc of 1965. Estimated liabilities in default were $\$ 58,690,000$ in comparison with $\$ 52,274,000$ for wame quarter last year.

## Failures and Liabilities by Industries

The largest number of bankruptifes occurred in the Trade industry with 314 failures compared with 334 in the second quarter of 1965 and the liabilities increased from $\$ 14,313,000$ to $\$ 15,496,000$. In the Manufacturing industries the number of insolvencies were fractionally higher but the liabilities decreased from $\$ 10,575,000$ to $\$ 9,009,000$ in the $1965-66$ comparison. The number of bankrupt firms in the Construction industry was lower and the liabilities decreased sharply from $\$ 10,823,000$ to $\$ 4,706,000$. In the Finance industry there were 19 insolvencies compared with 24 for the same months of 1965. Defaulted liabilities in this industry increased from $\$ 7,130,000$ to $\$ 13,531,000$. There were fewer bankruptcies in the Service industry but liabilities rose from $\$ 5,405,000$ to $\$ 8,034,000$.

## Failures and Liabilities Regionally

While the number of business failures in Quebec declined from 429 in the second quarter of 1965 to 406 in the same quarter of 1966 the estimated liabilities increased from $\$ 23,291,000$ to $\$ 27,559,000$. Estimated liabilities in Ontario in this quarter decreased from $\$ 23,291,000$ to $\$ 22,084,000$ with the number of failures showing a decline from 319 to 276 . In the Prairie Provinces the number of bankruptcies increased fractionally and the estimated liabilities decreased from $\$ 4,628,000$ to $\$ 2,195,000$. There were fewer business failures in British Columbia but the liabilities rose from $\$ 1,754,000$ to $\$ 3,140,000$.

## Failures by Size of Liabilities

The data presented in Table 4 indicate that the greatest number of failures involved businesses in the $\$ 5,000$ to $\$ 25,000$ size group. Business fallures in the $\$ 25,000$ to $\$ 50,000$ range showed an increase while insolvencies in the $\$ 50,000$ to $\$ 100,000$ group decreased sharply. There was a slight increase in the $\$ 100,000$ and over size group in the 1965-66 third quarter comparison.

## Coverage

The statistics of failures in this report are limited to those bankruptcies filed under Federal legislation (the Bankruptcy and Winding-up Acts) and does not include failures, sales or seizures carried out under other legislation. In Table 6 the number of fallures of wage earners is shown but the amount of liabilities is not recorded. Proposals from insolvent persons are not included in the bankruptcy data but when such proposals are rejected by the creditors the proceedings may then come under the Bankruptcy Act. In Table 6 the number of proposals is shown to give a general impression of the trend.

Business Finance Division

TABLE 1. Commercisl Pallures by Economic Areas and Industries
Second Quarter 1966 with Comparative Pigures for 1965

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

TABIE 1. Commercial Failures by Economic Areas and Industries

Second Quarter 1966 with Comparative Figures for 1965


TABLE 2. Comercial Fallures and Estimated Liabilities by Months and Industries

|  | Total induatries |  | Primary <br> industries |  | Manufacturing industries |  |  |  |  |  |  |  |  |  | Construction industry |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total |  | Total |  | Total |  | Wood industries including furniture |  | Primary and fabricated metals industries |  | Machinery industries |  | Transportation equipment industries |  | Total |  |
|  | Number | Llab. | Number | Liab. | Number | Liab. | Number | Liab. | Number | Liab. | Number | Llab. | Number | Liab. | Number | Llab. |
|  |  | \$1000 |  | \$500 |  | \$000 |  | \$ 000 |  | \$1000 |  | \$ 1000 |  | \$ 000 |  | \$,000 |
| 1965-January | 302 | 14,431 | 13 |  |  | 1,762 |  |  |  |  | - | - | 1 | 11 |  |  |
| February | 291 | 21,363 | 16 | 1,569 | 27 | 2,199 | 5 | 98 | 6 | 1,096 | - | - | - | - | 50 | 5,622 |
| March ... | 358 | 23,020 |  |  | 38 | 3,307 | 8 | 309 | 5 | 523 | - | - | - | - | 77 | 3,401 |
| Aprs1.. | 278 | 17,050 | 15 | 1,013 | 33 | 2,887 | 7 | 322 |  | 173 | - | - | - | - | 50 | 5,286 |
| May | 293 | 20,056 | 14 | 584 | 31 | 4,371 | 7 | 494 | 5 | 248 | 1 | 207 | - | - | 59 | 3,399 |
| June ... | 259 | 15,168 | 13 | 537 | 35 | 3,317 | 9 | 662 | 2 | 129 | - | - | 2 | 9 | 48 | 2,138 |
| July .... | 276 | 180,569 | 12 | 401 | 18 | 2,036 |  | 171 |  |  |  | - | - | - | 42 | 4,597 |
| August . | 188 | 29,689 | 15 | 2,147 | 23 | 8,844 | 6 | 5,843 | 2 | 447 | - | - | - | - | 30 | 9,485 |
| September | 271 | 17,562 | 12 | 297 | 29 | 2,721 | 8 | 326 | 3 | 34 | 1 | 834 | 2 | 223 | 58 | 4,804 |
| October.. | 256 | 17,403 | 7 | 337 | 30 | 2,933 | , | 489 | 3 | 484 | 2 | 222 | 1 | 211 | 51 | 4,797 |
| November | 284 | 18,131 | 8 | 315 | 28 | 2,043 | ? | 400 |  | 33 | - | - | - | , | 56 | 3,437 |
| December | 239 | 19,209 | 5 | 83 | 30 | 4,788 | 7 | 1,176 | 4 | 213 | 2 | 192 | 2 | 237 | 49 | 2,554 |
| 1966-January | 253 | 19,144 | 11 | 248 | 26 | 3,690 | 5 | 253 | 1 | 4 | - | - | 1 | 110 | 49 | 4,208 |
| February | 283 | 16,491 | 10 | 223 | 35 | 4,200 | 5 | 285 | 3 | 243 | 1 | 237 | 1 | 905 | 52 | 4, 031 |
| March . | 287 | 29,071 | 19 | 1,786 | 25 | 2,254 | 9 | 437 | 2 | 248 | - | . | - | - | 64 | 6,651 |
| April .. | 253 |  |  | 904 |  |  | 5 | 962 | 4 | 223 | - | - | 1 | 54 | 38 | 1,981 |
| May . . . | 249 | 26,083 | 15 | 5,750 | 30 | 2,535 | 10 | 310 | 2 | 288 | 1 | 28 | - | - | 44 | 1,433 |
| June ... | 247 | 19,836 | 8 | 278 | 37 | 4,109 | 13 | 1.079 | 6 | 1,549 | 1 | 162 | - | - | 41 | 1,292 |
| July August .. September |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| October . <br> November <br> December |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Six months |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1965 ... | 1,781 | 111,088 | 92 | 4,950 | 188 | 17.843 | 44 | 2,261 | 29 | 3,028 | 1 | 207 | 3 | 20 | 343 | 22,700 |
| Six months |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1966 ... | 1,572 | 123.396 | 87 | 9,189 | 186 | 19,153 | 47 | 3,326 | 18 | 2,555 | 3 | 427 | 3 | 1,069 | 288 | 19,596 |

TABLE 2. Comercial Failures and Estimated habilitien Monthe and Ladustries - Conciuded


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


|  | 1965 |  |  |  |  | 1966 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1st quarter | 2nd quarter | 3 rd quarter | 4th quarter | Total | lst quarter | 2nd quarter | $\begin{gathered} \text { 3rd } \\ \text { quarter } \end{gathered}$ | 4th quarter | Total |

Manufacturing:

| Under \$5,000 | 4 | 6 | 4 | 2 | 16 | 2 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 30 | 22 | 21 | 22 | 95 | 27 | 30 |
| 25,000 4 50,000 | 25 | 27 | 14 | 17 | 83 | 13 | 29 |
| 50,000 ir 100,000 | 15 | 21 | 11 | 18 | 65 | 20 | 16 |
| Over \$100,000 | 15 | 23 | 20 | 29 | 87 | 24 | 23 |
| Totals | 89 | 99 | 70 | 88 | 346 | 86 | 100 |

Construction:

| Under $\$ 5,000$ | $\ldots \ldots \ldots$ | 8 | 9 | 4 | 13 | 34 | 5 | 5 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $\$ 5,000$ to $\$ 25,000$ | $\ldots$. | 90 | 73 | 56 | 66 | 285 | 69 | 64 |
| $25,000 \cdots$ | 46 | 31 | 18 | 32 | 127 | 33 | 30 |  |
| $50,000 \cdots$ | $50,000 \ldots$ | 19 | 25 | 16 | 21 | 81 | 28 | 15 |
| Over $\$ 100,000 \ldots \ldots$ | 23 | 19 | 36 | 23 | 101 | 30 | 9 |  |
| Totals $\ldots \ldots \ldots$ | 186 | 157 | 130 | 155 | 628 | 165 | 123 |  |

Trade:

| Under \$5,000 | 45 | 39 | 18 | 19 | 121 | 16 | 18 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 220 | 166 | 151 | 173 | 710 | 171 | 163 |
| 25,000 $\quad 50,000$ | 85 | 64 | 70 | 67 | 286 | 67 | 75 |
| 50,000 " 100,000 | 34 | 36 | 32 | 25 | 127 | 25 | 28 |
| Over \$100,000 | 29 | 29 | 30 | 27 | 115 | 29 | 30 |
| Totals | +13 | 314 | 361 | 311 | 1, 159 | 308 | 314 |

Service:

| 1nder \$5,000 | 20 | 13 | 10 | 8 | 51 | 12 | 13 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 65 | 57 | 60 | 69 | 251 | 68 | 54 |
| 25,000 " 50,000 | 26 | 22 | 24 | 20 | 92 | 22 | 23 |
| 50,000 ' 100,000 | 18 | 20 | 14 | 9 | 61 | 20 | 7 |
| Over $\$ 100,000$ | 13 | 10 | 10 | 15 | 48 | 12 | 16 |
| Totals .... | 142 | 122 | 118 | 121 | 503 | 134 | 113 |

Total Canada:

| Under \$5,000 | 83 | 72 | 37 | 46 | 238 | 38 | 42 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 465 | 373 | 339 | 379 | 1,556 | 400 | 348 |
| 25,000 - 50,000 | 201 | 166 | 149 | 152 | 668 | 158 | 184 |
| 50,000 - 100,000 | 105 | 121 | 83 | 85 | 394 | 106 | 79 |
| Over $\$ 100,000 \ldots$. | 97 | 98 | 127 | 117 | 439 | 121 | 96 |
| Totals ... | 951 | 830 | 735 | 779 | 3,295 | 823 | 749 |

Queber:

| Under \$5,000 | 53 | 44 | 22 | 30 | 149 | 24 | 24 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 252 | 193 | 163 | 205 | 813 | 221 | 178 |
| 25,000 ${ }^{\text {w }} 50,000$ | 103 | 96 | 84 | 90 | 373 | 92 | 104 |
| 50,000 * 100,000 | 54 | 52 | 51 | 49 | 206 | 58 | 44 |
| Over $\$ 100,000 \ldots .$. | 41 | 44 | 58 | 64 | 207 | 67 | 56 |
| Totals .... | 503 | 429 | 378 | 438 | 1,748 | 462 | 406 |

Ontario:

| Under \$5,000 | 28 | 23 | 14 | 14 | 79 | 13 | 18 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 177 | 151 | 155 | 134 | 617 | 146 | 139 |
| 25,000 " 50,000 | 75 | 55 | 52 | 51 | 233 | 51 | 58 |
| 50,000 m 100,000 | 40 | 50 | 28 | 27 | 145 | 38 | 29 |
| over $\$ 100,000 \ldots$ | 42 | 40 | 54 | 38 | 174 | 45 | 32 |
| Totals .... | 362 | 319 | 303 | 264 | 1,248 | 293 | 276 |

TABLE 5. Average Estmated Liability per Failure(1) by Months, Economic Areas and Selected Industry Groups

|  | Canada | Atlantic Provinces | Quebec | Ontario | Prairie Provinces | British Columbla | Mant- <br> fac- <br> tures | Con-struction | Trade | Service: |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | thousands of dollars |  |  |  |  |  |  |
| 1965-January | 47.8 | 19.3 | 36.5 | 49.0 | 126.6 | 45.1 | 73.4 | 48.4 | 46.5 | $41.1$ |
| February . | 73.4 | 76.5 | 63.7 | 82.6 | 117.6 | 46.4 | 81.4 | 112.4 | 28.5 | $122.0$ |
| March .... | 64.3 | 66.3 | 50.2 | 62.9 | 77.1 | 483.4 | 87.1 | 44.2 | 51.0 | 41.7 |
| April. | 61.3 | 103.3 | 45.2 | 56.7 | 191.7 | 114.8 | 87.5 | 105.7 | 36.9 | 60.6 |
| May. | 68.4 | 43.4 | 70.6 | 68.1 | 66.1 | 56.8 | 140.7 | 57.6 | 51.5 | 32.6 |
| June | 58.5 | 57.0 | 46.4 | 75.9 | 43.8 | 25.0 | 94.8 | 44.5 | 36.1 | 41.7 |
| July | 654.2 | 45.5 | 88.0 | 1,406.2 | 55.4 | 92.9 | 113.1 | 109.4 | 71.7 | 48.3 |
| August | 157.9 | 12.4 | 81.2 | 271.1 | 156.0 | 50.2 | 384.5 | 316.2 | 87.6 | 38.4 |
| September | 64.8 |  | 56.7 | 72.7 | 96.2 | 62.8 | 93.8 | 82.8 | 40.0 | 40.0 |
| October.. | 68.0 | 14.1 | 65.5 | 66.6 | 122.4 | 66.4 | 97.8 | 94.1 | 32.2 | 61.8 |
| November . | 63.8 | 114.7 | 65.4 | 63.6 | 25.5 | 92.0 | 73.0 | 62.5 | 48.3 | 69.2 |
| December . | 80.4 | 22.0 | 79.5 | 80.2 | 62.9 | 185.2 | 159.6 | 52.1 | 55.7 | 40.0 |
| 1966-January | 75.7 | 52.7 | 102.9 | 36.2 | 67.5 | 176.0 | 141.9 | 85.9 | 41.0 | 52.9 |
| February | 58.3 | 22.7 | 55.3 | 67.1 | 38.3 | 42.0 | 120.0 | 77.5 | 44.5 | 34.5 |
| March | 101.3 | 3.0 | 52.2 | 193.3 | 45.5 | 54.4 | 90.2 | 103.9 | 42.8 | 34.9 |
| April | 50.5 | 49.0 | 58.6 | 36.8 | 42.8 | 60.8 | 71.7 | 52.1 | 40.7 | 44.0 |
| May . | 104.8 | 1,190.3 | 72.7 | 125.0 | 71.7 | 17.3 | 84.5 | 32.6 | 39.3 | 110.3 |
| June | 80.3 | 21.0 | 73.8 | 74.2 | 31.1 | 39.8 | 111.1 | 31.5 | 65.7 | 55.4 |
| July ... |  |  |  |  |  |  |  |  |  |  |
| August. |  |  |  |  |  |  |  |  |  |  |
| September |  |  |  |  |  |  |  |  |  |  |
| Octaber. |  |  |  |  |  |  |  |  |  |  |
| November . |  |  |  |  |  |  |  |  |  |  |
| December |  |  |  |  |  |  |  |  |  |  |
| Six months 1965 | 62.4 | 54.3 | 52.1 | 65.9 | 106.7 | 125.9 | 94.9 | 66.2 | 42.3 | 52.2 |
| Six months 1966 | 78.5 | 232.3 | 67.7 | 90.5 | 50.3 | 142.9 | 103.0 | 68.0 | 46.1 | 54.7 |

(1) In cases where a small number of fallures involves large amounts of estimated liabilities in default, the average shown above may not be representative of a large number of fallures.

TABLE 6. Wage-Earner Failures and Proposals, by Months and Economic Areas

|  | Wage-earner fallures |  |  |  |  |  | Proposals |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Canada | Atlantic <br> Provinces | Quebec | Ontarlo | Prairie Provinces | British Columbia | Canada | Quebec | Ontario | Other Provinces |
| 1965-January .. | 174 | 4 | 83 | 62 | 16 | 9 | 45 | 42 | 1 | 2 |
| February . | 169 | 1 | 77 | 80 | 6 | 5 | 42 | 31 | 10 | 1 |
| March .... | 213 | 5 | 94 | 101 | 9 | 4 | 60 | 55 | 4 | 1 |
| April .... | 141 | - | 51 | 74 | 13 | 3 | 44 | 36 | 7 | 1 |
| May | 159 | 1 | 74 | 69 | 11 | 4 | 60 | 49 | 7 | 4 |
| June | 151 | 2 | 54 | 67 | 23 | 5 | 56 | 48 | 7 | 1 |
| July ...... | 123 | - | 54 | 60 | 6 | 3 | 33 | 29 | 4 | - |
| August .... | 133 | - | 70 | 53 | 7 | 3 | 33 | 30 | 3 | - |
| September . | 137 | 1 | 65 | 56 | 12 | 3 | 38 | 37 | 1 | - |
| October .. | 144 | 1 | 80 | 54 | 7 | 2 | 41 | 38 | 3 | - |
| November . | 152 | 3 | 78 | 57 | 9 | 5 | 41 | 35 | 5 | 1 |
| December . | 139 | 1 | 74 | 58 | 6 | - | 53 | 43 | 8 | 2 |
| 1966-January .... | 140 164 | 2 | 67 67 | 66 79 | 3 15 | 2 | 48 46 | 43 40 | 4 | 1 |
| February ... | 164 184 | 3 | 79 | 80 | 14 | 8 | 41 | 33 | 7 | 1 |
| April ..... | 152 | - | 71 | 71 | 9 | 1 | 38 | 34 | 4 | - |
| May . . . . . . | 163 | 3 | 68 | 79 | 7 | 6 | 34 | 29 | 5 | - |
| June . . . . . | 141 | 1 | 63 | 63 | 7 | 7 | 53 | 44 | 9 | - |
| July ...... |  |  |  |  |  |  |  |  |  |  |
| August .... |  |  |  |  |  |  |  |  |  |  |
| September .. |  |  |  |  |  |  |  |  |  |  |
| October |  |  |  |  |  |  |  |  |  |  |
| November ... |  |  |  |  |  |  |  |  |  |  |
| December .. |  |  |  |  |  |  |  |  |  |  |
| Six manths 1965 | 1,007 | 13 | 433 | 453 | 78 | 30 | 307 | 261 | 36 | 10 |
| SIx months 1966 | 944 | 10 | 415 | 438 | 55 | 26 | 260 | 223 | 35 | 2 |

