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# COMMERCIAL FAILURES <br> s of the Bankruptcy and Winding Up Acts 

SECOND QUARTER 1967

During the second quarter of 1967 the total number of business failures recorded under the provisions of the Bankruptcy and Winding Up Acts was 625 , a decrease of 17.2 per cent from the revised total of 755 insolvencies recorded for the second quarter of 1966 . The estimated total of the defaulted liabilities of bankrupt firms was $\$ 41,948,000$ as compared with $\$ 61,392,000$ for the same quarter of last year.

## Failures and Liabilities by Industries

The largest number of bankruptcies occured in the trade sector with 250 failures compared with 314 in the second quarter of 1966 . In the manufacturing industries group, the number of business failures decreased from 106 to 63 and liabilities from $\$ 11,008,000$ to $\$ 10,325,000$ in the 1966-67 comparison. The number of bankruptcies in the construction industry was considerably lower with 89 failures compared with 123 in the second quarter of 1966. Defaulted liabilities were also lower in value. In the financial sector the number of failures were higher but the liabilities were lower. In the service industry the number of insolvent firms were slightly lower and the liabilities were considerably less in value.

## Failures and Liabilities by Economic Areas

There were 332 bankruptcies recorded in Quebec during the second quarter of 1967 compared with 412 for the same period of 1966. Estimated liabilities were $\$ 27,904,000$ compared with $\$ 30,262,000$. In Ontario the number of business failures decreased from 276 to 232 and the liabilities from $\$ 22$,084,000 to $\$ 11,618,000$. In the Prairie Provinces the number of insolvent firms declined from 45 to 34 and the defaulted liabilities from $\$ 2,195,000$ to $\$ 1,194,000$. In British Columbia the number of business failures increased from 15 to 19 but the liabilities decreased from $\$ 3,140,000$ to $\$ 1,048,000$.

## Failures by Size of Liabilities

The data presented in Table 4 indicate that the greatest number of failures involved firms in the $\$ 5,000$ to $\$ 25,000$ size group. Business failures in the $\$ 50,000$ to $\$ 100,000$ range increased slightly in the 1966-67 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 failures 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.

TABLE 1. Commercial Failures by Economic Areas and Industries
Second Quarter 1967 with Comparative Figures for 1966

| No. |  | Second quarter |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Atlantic Provinces |  | Quebec |  | Ontario |  |
|  |  | 1966 | 1967 | 1966 | 1967 | 1966 | 1967 |
| 1 | Primary industries | 3 | - | 20 | 20 | 16 | 13 |
|  | Manufacturing industries |  |  |  |  |  |  |
| 2 | Food and beverage industries | - | - | 2 | 3 | 1 | 4 |
| 3 | Textile industries ... | - | - | - | 2 | - | 2 |
| 4 | Clothing industries (including knitting mills) | - | - | 12 | 5 | 1 | 2 |
| 5 | Wood industries (including furniture) ........... | - | - | 23 | 8 | 11 | 6 |
| 6 | ```Paper and allied industries (including printing and publishing)``` | - | - | 10 | 5 | 7 | 2 |
| 7 | Primary and Fabricated metal industries ........ | - | - | 8 | 1 | 4 | 4 |
| 8 | Machinery industries ... | - | - | - | - | 2 | 1 |
| 9 | Transportation equipment industries ............ | - | - | 1 | - | - | 1 |
| 10 | Electrical products industries ................... | - | - | 1 | 2 | 2 | - |
| 11 | Non-metallic mineral products industries | - | - | 2 | 2 | 1 | - |
| 12 | Chemical industries ............................. | - | - | 1 | - | 1 | - |
| 13 | Other manufacturing industries ................. | - | - | 10 | 7 | 4 | 5 |
| 14 | Total manufacturing industries ................ | - | - | 70 | 35 | 34 | 27 |
|  | Construction industries |  |  |  |  |  |  |
| 15 | General contractors | - | - | 29 | 16 | 15 | 13 |
| 16 | Special trade contractors | - | 2 | 27 | 25 | 42 | 24 |
| 17 | Total construction industries ................ | - | 2 | 56 | 41 | 57 | 37 |
| 18 | Transportacion, communication and other utilities .......................................... | - | - | 19 | 19 | 10 | 23 |
|  | Trade (wholesale and retail) |  |  |  |  |  |  |
| 19 | Food . . . . . . | - | 1 | 27 | 32 | 13 | 17 |
| 20 | General merchandise | - | - | 8 | 3 | 9 | 8 |
| 21 | Automotive products | - | 2 | 39 | 32 | 30 | 22 |
| 22 | Appare 1 and shoes ........ | - | - | 35 | 24 | 15 | 16 |
| 23 | Hardware . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | - | 1 | 12 | 2 | 4 | 8 |
| 24 | Household furniture and appliances | 2 | - | 25 | 12 | 18 | 9 |
| 25 | Drugs . | - | - | 1 | 4 | 1 | 1 |
| 26 | Other trades | - | 1 | 29 | 22 | 19 | 10 |
| 27 | Total trade | 2 | 5 | 176 | 131 | 109 | 91 |
| 28 | Finance, insurance and real estate ............... | - | - | 10 | 19 | 7 | 7 |
|  | Services |  |  |  |  |  |  |
| 29 | Education, health and welfare ................... | - | - | 5 | 7 | 4 | - |
| 30 | Recreational services ............................. | - | - | 7 | 3 | 5 | 4 |
| 31 | Business services .................................. | 1 | - | 3 | 6 | 4 | 5 |
| 32 | Personal services ................................... | 1 | 1 | 44 | 43 | 25 | 20 |
| 33 | Other services ..................................... | - | - | 2 | 8 | 5 | 5 |
| 34 | Total services ..................................... | 2 | 1 | 61 | 67 | 43 | 34 |
| 35 | Totals ............................................ | 7 | 8 | 412 | 332 | 276 | 232 |

TABLE 1. Commercial Failures by Economic Areas and Industries

Sucond Quarter with Comparative Figures for 1966 = Concluded


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


TABLE: Z Gmercial Failures and Estimated tiabilities by Monthe and fndustries - Concluded


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

|  | Atlantic Provinces |  | Quebec |  | Ontario |  | Manitoba |  | Saskatchewan |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Number | Liab. | Number | Liab. | Number | Liab. | Number | Liab. | Number | Liab. |
|  |  | \$'000 |  | \$'000 |  | \$'000 |  | \$'000 |  | \$'000 |
| 1966-January | 8 | 421 | 129 | 13,274 | 97 | 3,516 | 5 | 372 | 4 | 422 |
| February . | 2 | 46 | 172 | 9,509 | 95 | 6,371 | 3 | 164 | 2 | 47 |
| March ... | 1 | 3 | 161 | 8,401 | 101 | 19,539 | 8 | 489 | - | - |
| April | 2 | 98 | 148 | 8,670 | 82 | 3,015 | 3 | 97 | 3 | 70 |
| May | 3 | 3,571 | 136 | 9,884 | 92 | 11,499 | 6 | 142 | 2 | 46 |
| June | 2 | 43 | 128 | 11,708 | 102 | 7,569 | 4 | 81 | 2 | 34 |
| July | 1 | 37 | 129 | 10,180 | 73 | 6,061 | 4 | 840 | - | - |
| August | 2 | 117 | 153 | 9,707 | 76 | 4,182 | 6 | 297 | 6 | 337 |
| September | 5 | 112 | 155 | 7,558 | 90 | 4,567 | - | - | 2 | 1,374 |
| October.. | 4 | 69 | 117 | 5,828 | 64 | 3,970 | 7 | 479 | - | - |
| November . | 5 | 493 | 135 | 9,366 | 79 | 4,384 | 6 | 342 | 4 | 103 |
| December . | 5 | 232 | 135 | 8,596 |  | 33,958 |  |  | 4 | 112 |
| 1967-January | 5 | 676 | 129 | 6,896 | 92 | 4,615 | 6 | 196 | 2 | 30 |
| February | 6 | 148 | 132 | 6,644 | 62 | 3,397 | 6 | 171 | 6 | 158 |
| March . | 3 | 96 | 147 | 9,410 | 80 | 2,697 | 2 | 71 | 4 | 29 |
| April | 5 | 145 | 114 | 13,698 | 85 | 3,585 | 5 | 135 | 1 | 10 |
| May | 1 | 7 | 132 | 8,557 | 78 | 4,680 | 3 | 100 | 4 | 55 |
| June | 2 | 32 | 86 | 5,649 | 69 | 3,354 | 8 | 590 | 2 | 73 |
| July .... |  |  |  |  |  |  |  |  |  |  |
| August .... |  |  |  |  |  |  |  |  |  |  |
| September |  |  |  |  |  |  |  |  |  |  |
| October.. |  |  |  |  |  |  |  |  |  |  |
| November . . |  |  |  |  |  |  |  |  |  |  |
| December .. |  |  |  |  |  |  |  |  |  |  |
| S1x months 1966 | 18 | 4,182 | 874 | 61,446 | 569 | 51,509 | 29 | 1,345 | 13 | 619 |
| S 1x months 1967 | 22 | 1,104 | 740 | 50,854 | 466 | 22,328 | 30 | 1,263 | 19 | 355 |
|  | Alberta |  | British Columbia |  | Canada |  | Toronto |  | Montreal |  |
|  | Number | Liab. | Number | Liab. | Number | Lab. | Number | Liab. | Number | Liab. |
|  | \$'000 |  | \$'000 |  | \$'000 |  | \$'000 |  | \$'000 |  |
| 1966-January | 4 | 83 | 68 | 1,056 | 253 | 19,144 | 35 | 1,631 | $77 \quad 9,791$ |  |
| Pebruary | 1 | 18 |  | 336 | 283 | 16,491 | 35 | 2,628 | $\begin{aligned} & 77 \\ & 80 \end{aligned}$ | $\begin{aligned} & 9,791 \\ & 4,749 \end{aligned}$ |
| March ... | 10 | 329 | 6 | 326 | 287 | 29,087 | 38 | $10,683$ | $\begin{aligned} & 80 \\ & 68 \end{aligned}$ | $\begin{aligned} & 4,749 \\ & 3,641 \end{aligned}$ |
| April | 10 | 517 | 5 | 304 | 253 | 12,771 | 33 | 1,495 | 60 | 4,338 |
| May . . | 7 | 889 | 3 | 52 | 249 | 26,083 | 39 | 4,774 | 67 | 4,066 |
| June. | 8 | 320 | 7 | 2,784 | 253 | 22,539 | 34 | 4,429 | 75 | 9,431 |
| July | 6 | 942 | 10 | 569 | 223 | 18,629 | 26 | 2,475 | 67 | 5,910 |
| August | 8 | 201 | 8 | 1,034 | 259 | 15,875 | 27 | 1,183 | 64 | 3,736 |
| September | 6 | 207 | 10 | 457 | 268 | 14,276 | 34 | 2,294 | 64 | 3,350 |
| October . | 7 | 201 | 8 | 234 | 207 | 10,781 | 21 | 1,815 | 52 | 2,781 |
| November | 4 | 106 | 3 | 1,652 | 236 | 16,446 | 28 | 2,402 | 66 | 5,729 |
| December | 8 | 1,255 | 10 | 1,120 | 236 | 45,345 |  | 32,541 | 63 | 3,979 |
| 1967-January .. | $\begin{aligned} & 8 \\ & 8 \end{aligned}$ |  | $\begin{array}{r} 13 \\ 6 \end{array}$ | 729 | 255 |  |  |  |  |  |
| Pebruary . |  | 1,137 |  | +491 | 226 | 12,146 | 23 | 1,692 | 50 | 3,918 |
| March .... | 10 | 398 | 3 | 1,276 | $249$ | 13,977 | 25 | 726 | 68 | 5,168 |
| April.... | 1 | 11 | 5 | 87 | 216 17,671 |  | 32 | 2,043 | 58 | $3,367$ |
| May ... | 5 | 84 | 8 | 686 | 231178 | 14,169 | 22 | 1,783 | 63 | $\begin{aligned} & 5,463 \\ & 2,443 \end{aligned}$ |
| June ...... | 5 | 134 | 6 | 275 |  | 10,107 | 25 | 922 | 33 |  |
| July ........... |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| August ${ }^{\text {September }}$. ${ }^{\text {a }}$........ |  |  |  |  |  |  |  |  |  |  |
| October ............ <br> November |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| December ..... |  |  |  |  |  |  |  |  |  |  |
| Six months 1966 | 40 | 2,156 | $\begin{aligned} & 35 \\ & 41 \end{aligned}$ | $\begin{array}{r} 4,858 \\ 3,544 \end{array}$ | $\begin{aligned} & 1,578 \\ & 1,355 \end{aligned}$ | $\begin{array}{r} 126,115 \\ 81,579 \end{array}$ | $\begin{aligned} & 214 \\ & 164 \end{aligned}$ | $\begin{array}{r} 25,640 \\ 9,143 \end{array}$ | $\begin{aligned} & 427 \\ & 336 \end{aligned}$ | $\begin{aligned} & 36,016 \\ & 25,075 \end{aligned}$ |
| Six monthe 1967 | 37 | 2,130 |  |  |  |  |  |  |  |  |

LABLE 4. Comercial Failures by Major Industries, and Selected Provinces, according to Slze of Liabilities


Manufacturing
Under \$5,000 ............ 2
$\$ 5,000$ to $\$ 25,000 \ldots 27$ 25,000 " $50,000 \ldots 13$ $50,000 \% 100,000 \ldots 20$
Over $\$ 200,000 \ldots . .$.


Construction
Under $\$ 5,000 \ldots . .$.
$\$ 5,000$ to $\$ 25,000 \ldots$
5
69 25,000 " $50,000 \ldots$
50,000 100,000 $\ldots$
Over \$100,000 ................
Totals ........................... 165

Trade

| Under \$5,000 | 16 |
| :---: | :---: |
| \$ 5,000 to \$ 25,000 | 171 |
| 25,000 50,000 | 67 |
| 50,000 " 100,000 | 25 |
| meer \$100,000 | 29 |
| lotals | 308 |


| 18 | 19 |
| ---: | ---: |
| 163 | 164 |
| 75 | 71 |
| 28 | 34 |
| 30 | 35 |
| 314 | 323 |


| 13 | 66 |
| ---: | ---: |
| 153 | 651 |
| 61 | 274 |
| 36 | 123 |
| 28 | 122 |
| 291 | 1,236 |

11

25,000 50,000 ...

Her \$100
lotals
308

| 5 | 11 |
| ---: | ---: |
| 64 | 51 |
| 30 | 29 |
| 15 | 28 |
| 9 | 26 |
| 123 | 145 |

2
63
28
21
12
126
23
247
120
92
77
559

| 7 | 4 |
| ---: | ---: |
| 67 | 47 |
| 28 | 17 |
| 24 | 13 |
| 12 | 8 |
| 138 | 89 |

Survice

Under \$5,000 ...........
$\$ 5,000$ to $\$ 25,000 \ldots$
25,000 ल $50,000 \ldots$
$50,000^{\text {" }} 100,000 \ldots$
Over $\$ 100,000 \ldots . .$.
Totals................................ 134
12
68
22
20
12
134

13
$13-12$

| 12 | 49 | 5 | 9 |
| ---: | ---: | ---: | ---: |
| 58 | 239 | 49 | 51 |
| 14 | 78 | 25 | 22 |
| 10 | 53 | 8 | 16 |
| 11 | 51 | 13 | 9 |
| 105 | 470 | 100 | 107 |

## Total Canada

Under $\$ 5,000 \ldots \ldots$.
$\$ 5,000$ to $\$ 25,000 \ldots$ 25,000 ${ }^{\text {* }} 50,000 \ldots$ $50,000^{\text {" }} 100,000 \ldots$
Over $\$ 100,000 \ldots .$.
Totals...............

38
400
400
106
121
823

43
43
348
51

51
339
339
153
97
110
110
30
324
137
93
95
679

| 162 | 31 |
| ---: | ---: |
| 1,411 | 353 |
| 633 | 158 |
| 376 | 108 |
| 425 | 80 |
| 3,007 | 730 |

$$
\begin{array}{r}
35 \\
305 \\
121 \\
83 \\
81 \\
625
\end{array}
$$

Quebec

| Under $\$ 5,000$ | $\ldots \ldots \ldots$ | 24 | 25 | 31 | 21 | 101 | 19 | 19 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $\$ 5,000$ to $\$ 25,000 \ldots \ldots$ | 221 | 178 | 198 | 182 | 779 | 196 | 166 |  |
| 25,000 | $50,000 \ldots$ | 92 | 105 | 86 | 72 | 355 | 90 | 55 |
| $50,000 \cdots$ | $100,000 \ldots \ldots$ | 58 | 45 | 56 | 63 | 222 | 59 | 36 |
| Over $\$ 100,000 \ldots \ldots$ | 67 | 59 | 66 | 49 | 241 | 44 | 56 |  |
| Totals $\ldots \ldots \ldots \ldots$ | 462 | 412 | 437 | 387 | 1,698 | 408 | 332 |  |

## Ontario

| Under \$5,000 | 13 | 18 | 18 | 9 | 58 | 11 | 15 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \$ 5,000 to \$ 25,000 | 146 | 139 | 113 | 106 | 504 | 116 | 108 |
| 23,000 50,000 | 51 | 58 | 47 | 43 | 199 | 54 | 50 |
| 20, 000 " 100,000 | 38 | 29 | 30 | 21 | 118 | 31 | 37 |
| Orear $\$ 100,000$ | 45 | 32 | 31 | 35 | 143 | 22 | 22 |
| Totals | 293 | 276 | 239 | 214 | 1,022 | 234 | 232 |

TABIEP A. Average Estimated Liability Mer Falure (t) by Montis, Eeonmic Areas and Selected Industry Groups

(1) In cases where a small number of failures involves large amounts of estimated liabilities in lefalt, the covarage show: above may not be representative of a large number of failure.

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

|  | Wage-earner fallures |  |  |  |  |  | Proposals |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Canada | Atlantic <br> Provinces | Quebec | Ontario | Prairide Provinces | Britigh <br> Columbia | Canada | Quebec | Ontario | Other Provinces |
| 1966-January | 140 | 2 | 67 | 66 | 3 | 2 | 48 | 43 | 4 | 1 |
| February . | 164 | 1 | 67 | 79 | 15 | 2 | 46 | 40 | 6 | - |
| March . | 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 | 52 | 43 | 9 | - |
| July ... | 103 | - | 54 | 44 | 2 | 3 | 36 | 31 | 4 | 1 |
| August | 133 | - | 61 | 65 | 6 | 1 | 29 | 27 | 2 | - |
| September | 154 | 1 | 63 | 74 | 12 | 4 | 23 | 19 | 4 | - |
| October . | 145 | 1 | 73 | 67 | 2 | 2 | 29 | 24 | 4 | 1 |
| November | 138 | 2 | 69 | 60 | 4 | 3 | 39 | 36 | 2 | 1 |
| December | 118 | 2 | 61 | 44 | 7 | 4 | 33 | 27 | 4 | 2 |
| 1967-January .. | 119 | 2 | 40 | 65 | 6 | 6 | 36 | 30 | 4 | 2 |
| February | 120 | 1 | 56 | 51 | 8 | 4 | 49 | 39 | 9 | 1 |
| March ... | 151 | - | 56 | 78 | 11 | 6 | 39 | 35 | 4 | - |
| April .... | 118 | 1 | 45 | 69 | - | 3 | 32 | 24 | 6 | 2 |
| May . ..... | 117 | 3 | 40 | 62 | 9 | 3 | 25 | 18 | 3 | 4 |
| June . . . . | 110 | 2 | 38 | 59 | 9 | 2 | 20 | 17 | 2 | 1 |
| July ..... |  |  |  |  |  |  |  |  |  |  |
| August .... |  |  |  |  |  |  |  |  |  |  |
| September . |  |  |  |  |  |  |  |  |  |  |
| October ... |  |  |  |  |  |  |  |  |  |  |
| November . . |  |  |  |  |  |  |  |  |  |  |
| December .. |  |  |  |  |  |  |  |  |  |  |
| Six months 1966 | 944 | 10 | 415 | 438 | 55 | 26 | 259 | 222 | 35 | 2 |
| Six months 1967 | 735 | 9 | 275 | 384 | 43 | 24 | 201 | 163 | 28 | 10 |

