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## COMMERCIAL FAILURES

UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

FIRST QUARTER 1970

During the first quarter of 1970 there were 862 failures recorded under the provisions of the Bankruptcy and Winding Up Acts as compsred with 720 during the same period of 1969 . Estimated liabilities involved amounted to S6l, lif4,000, lower by 8 per cent than the first quarter 1969 total of $\$ 67,045,000$. The average value of $11 a b 111 t 1 e s$ per fallure was $\$ 71,000$, appreciably lower than last year's first quarter average of $\$ 93,100$.

## Failures and Lhabilities by Industries

As in the past, the greatest number of business fallures occurred in the trade industry with 359 in comparison with 304 in the 1969-70 first quarter. Insolvencies in food, automotive products and clothing stores showed increases but the Nayaulted liabilities were somewhat lower in the total trade industry. In the manufacturing industry the numer of failures Soteased from 76 to 90 and the liabilities from $\$ 9,817,000$ to $\$ 10,799,000$. In the construction industry the number of bankfucies increased from 123 to 151 and the liabilities from $\$ 10,16 \%, 000$, to $\$ 15,237,000$. In the service industry the number of !as. Iures increased from 107 to 137 and the liabilities from $\$ 6,215,000$ to $\$ 9,078,000$.

## Failures and Líabilities Regionally

There were 448 business failures in Quebec in the first quarter of 1970 ag compared with 415 for the same period of 1969. Liabilities increased from $\$ 34,088,000$ to $\$ 39,939,000$. In Ontario the number of insolvencies increased from 216 to 298 and the defaulted liabilities rose from $\$ 14,259,000$ to $\$ 15,077,000$. In the Prairie Provinces the numer of busineas failures increased from 53 to 63 whilst the liabilities declined from $\$ 4,069,000$ to $\$ 2,454,000$. The number of bankruptcies in British Columbia increased from 26 to 43 but the liabilities showed a sharp decline from $\$ 14,262,000$ to $\$ 3,072,000$.

## Eailures by Size of Liabilities

The data presented in Table 4 indicate that the greatest number of bankruptcieg involved busineases in the $\$ 5,000$ to $\$ 25,000$ size group. Failures in all Eive size groups showed increases in the 1969 -70 first quarter comparison.

## Coverage

The statistics of failures in thia 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 in shown but the amount of liabilities is not recorded. Propossla from insolvent persons are not included in the bankruptcy data but when such proposals are rejected by the credicors the proceedings may come under the Bankruptcy Act. In Table 6 the number of proposals is shown to give a general impression of the trend.

First Quarter 1970 with Comparative Figures for 1969

| No. |  | First quarter |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Atlantic Provinces |  | Quebec |  | Ontario |  |
|  |  | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 |
| 1 | Primary industries | - | 1 | 12 | 9 | 11 | 18 |
|  | Manufacturing industries: |  |  |  |  |  |  |
| 2 | Food and beverage industries | - | - | 4 | 5 | 3 | - |
| 3 | Textile industries ............................... | - | - | - | 1 | 3 | - |
| 4 | Clothing industries (including knitting mills) | - | - | 7 | 9 | 1 | 1 |
| 5 | Wood industries (including furniture) .......... | - | - | 14 | 11 | 4 | 5 |
| 6 | ```Paper and allied industries (including printing and publishing)``` | - | _ | 6 | 7 | 2 | 5 |
| 7 | Primary and Fabricated metal industries ........ | - | - | 5 | 8 | 6 | 9 |
| 8 | Machinery industries ............. | - | - | 1 | 1 | - | 1 |
| 9 | Transportation equipment industries | - | - | - | 2 | 3 | 3 |
| 10 | electrical products industries ... | - | - | - | 3 | 2 | 1 |
| 11 | Non-metallic mineral products industries ....... | - | - | 3 | - | - | - |
| 12 | Chemical industries ....... | - | - | 1 | 3 | - | - |
| 13 | Other manufacturing industries | - | - | 7 | 5 | 2 | 3 |
| 14 | Total manufacturing industries | - | - | 48 | 55 | 26 | 28 |
|  | Construction industries: |  |  |  |  |  |  |
| 15 | General contractors. | 1 | - | 30 | 26 | 12 | 36 |
| 16 | Special trade contractora | 1 | 2 | 44 | 43 | 21 | 39 |
| 17 | Total construction industries | 2 | 2 | 74 | 69 | 33 | 6.1 |
| 18 |  | - | - | 28 | 18 | 21 | 21 |
| 19 | Food | - | 1. | 35 | 46 | 16 | 15 |
| 20 | General merchandise | 1 | - | 11 | 5 | 2 | 6 |
| 21 | Automotive products | 4 | 3 | 24 | 37 | 17 | 27 |
| 22 | Apparel and shoes | - | - | 44 | 45 | 7 | 19 |
| 23 | Hardvare . . . . . . . . . . . . . . | 1 | - | 11 | 13 | 2 | 4 |
| 24 | Household furnizure and appliances | - | - | 15 | 16 | 13 | 14 |
| 25 | Drugs ...... | - | - | - | 3 | 1 | 1 |
| 26 | Other trades | 1 | 1 | 31 | 31 | 29 | 34 |
| 27 | Total trade | 7 | 5 | 171 | 196 | 87 | 120 |
| 28 | Finance, insurance and real estate ........... | - | 1 | 13 | 18 | 8 | 5 |
|  | Services: |  |  |  |  |  |  |
| 29 | Education, health and welfare | - | - | 6 | 3 | 1 | 2 |
| 30 | Recreational services .............................. | - | - | 6 | 4 | 1 | 8 |
| 31. | Business services | - | - | 9 | 10 | 6 | \% |
| 32 | Personal services ................................. | 1 | 1 | 40 | 60 | 20 | 26 |
| 33 | Other services ..................................... . | - | - | 8 | 6 | 1 | 5 |
| 34 | Total services .................................. | 1 | 1 | 69 | 83 | 29 | A3 |
| 35 | Totsis ...................................... | 10 | 10 | 415 | 448 | 216 | 238 |



First Quarter 1970 with Comparative Figures for 1969 - Concluded


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

|  | Total industries |  | Primary industries |  | Manufacturing industries |  |  |  |  |  |  |  |  |  | Construction industry |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total |  | Total |  | Total |  | Wood industries including furniture |  | Primary and fabricated metals Industries |  | Machinery industries |  | Transportation equipment industries |  | Total |  |
|  | Number | Liab. | Number | Llab. | Number | Liab. | Number | Liab. | Number | Liab. | Number | L1ab. | Number | Liab. | Number | Liab. |
|  |  | \$7000 |  | \$000 |  | \$ 2000 |  | \$1000 |  | \$7000 |  | \$ 1000 |  | \$1000 |  | \$7000 |
| 1969-January | 258 | 19,055 | 9 | 237 | 23 | 3,530 | 7 | 363 | 4 | 1,044 |  | - | 2 | 114 | 42 | 3,159 |
| February | 229 | 23,761 | 8 | 533 | 20 | 3,012 | 5 | 451 | 3 | 161 |  |  | 2 | 461 | 42 | 4,042 |
| March . . |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 2,966 |
| April | 206 | 13,570 | 9 | 292 | 27 | 3,036 | 8 | 806 | 6 | 761 | - | - | 1 | 125 | 38 | 2,252 |
| May | 206 | 11,229 | 12 | 441 | 19 | 3,121 | 5 | 363 | 1 | 24 | 1 | 118 | - | - | 23 | 959 |
| June ... | 177 | 13,161 | 7 | 710 | 17 | 3,316 | 3 | 47 | 4 | 1,962 | - | - | - | - | 31 | 3,223 |
| july | 164 | 11,281 | 5 | 103 | 15 | 2,031 | 4 | 173 | 1 | 14 | 1 | 164 | - | - | 23 | 2,885 |
| August ... | 200 | 13,682 | 5 | 255 | 15 | 1,991 | 4 | 513 | 2 | 129 |  | - | - | - | 43 | 2,773 |
| September | 254 | 18,346 | 11 | 452 |  | 4,562 | 11 | 794 |  | 402 | 4 | 450 | - | - |  | 3,569 |
| October | 245 | 24,670 | 5 | 250 | 28 | 5,330 | 3 | 701 | 4 | 988 | 1 | 499 | 1 | 43 | 46 | 3,494 |
| November | 267 | 16,082 | 15 | 996 | 26 | 3,106 | 3 | 96 | 3 | 267 | 1 | 307 | - | - | 29 | 2,400 |
| Decersber. | 260 | 22,039 | 14 | 573 | 26 | 3,761 | 3 | 41 | 7 | 1,117 | 1 | 493 | 3 |  | 37 | 4,237 |
| 1970-January | 280 | 17,465 | 12 | 1,323 | 33 | 3,521 | 5 | 748 | 6 | 260 | - | - | 3 | 1,100 | 46 | 3,110 |
| Yebruary | 301 | 24,488 | 15 | + 480 | 32 | 3,247 | 5 | 282 | $6$ | 696 | $1$ | $19$ | 2 | $371$ | 50 | $8,937$ |
| March ... |  | 19,221 |  | 1,356 |  | 4,031 | 7 | 1,101 |  |  |  |  |  |  |  | $3,190$ |
| April ... |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| May <br> June |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| July <br> August <br> Septersber |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| October November December |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Three months 1969 ..... | 720 | 67,045 | 26 | 1,537 | 76 | 9,817 | 18 | 1,340 | 12 | 1,919 | 1 | 109 | 4 | 575 | 123 | 10,167 |
| $\begin{aligned} & \text { Three months } \\ & 1970 \text {...... } \end{aligned}$ | 862 | 61,174 | 44 | 3,159 | 90 | 10,799 | 19 | 2,131 | 17 | 1,278 | 2 | 54 | 6 | 1,493 | 151 | 15,237 |



|  | Transportation communication and utilities industries |  |  |  | Trade industries |  |  |  |  |  | Finance industries |  | Service industries |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total |  | Total |  | Food |  | Apparel and shoes |  | Household furniture and appliances |  | Total |  | Total |  |
|  | Number | Liab. | Number | Liab. | Number | Liab. | Number | llab. | Number | Liab. | Number | Liab. | Number | L1ab. |
| 1969-January February March . . |  | \$'000 |  | \$'000 |  | \$'000 |  | \$'000 |  | \$'000 |  | \$ 000 |  | \$'000 |
|  | 19 |  | 108 |  |  |  |  |  | 10 | 389 | 10 | 5,527 | 47 | 2,262 |
|  | 14 | 247 | 99 | 5,738 | 19 | 1,403 | 16 | $685$ | 12 | 304 | 8 | 7,280 | 38 | 2,909 |
|  | $25$ |  |  | 3,917 |  | - 610 |  |  |  |  |  | 11,601 |  |  |
| April | 12 | 550 | 79 | 3,107 | 20 | 760 | 14 | 390 | 7 | 266 | 10 | 2,175 | 31 | 2,158 |
| May . | 13 | 281 | 92 | 3,624 | 23 | 1,002 | 9 | 469 | 11 | 339 | 10 | 1,590 | 37 | 1,213 |
| June | 15 | 1,045 | 79 | 4,068 | 15 | , 480 | 13 | 332 | 6 | 273 | 5 | 301 | 23 | 496 |
| July | 16 | 493 | 67 | 2,197 | 12 | 246 | 5 | 109 | 8 | 280 | 6 | 1,158 |  | 2,414 |
| August | 20 | 552 | 77 | 4,337 | 12 | 286 | 17 | 573 | 11 | 735 | 9 | 2, 201 | 31 | 1,574 |
| September | 16 | 415 | 107 | 4,735 | 14 | 385 | 20 | 1,266 | 17 | 504 | 5 | 2,289 | 39 | 2,323 |
| October | 16 | 961 | 112 | 4,146 | 31 | 1,122 | 8 | 171 | 11 | 464 | ${ }_{14}$ |  |  | $1,199$ |
| November. | 22 | 1,935 | 118 | 4,585 | 29 | 1,546 | 12 | $391$ | 15 | 523 |  | $1,596$ | $\begin{aligned} & 43 \\ & 44 \end{aligned}$ | $\begin{aligned} & 1,464 \\ & 4.854 \end{aligned}$ |
| December | 15 | -261 | 115 | 6,305 |  | 871 |  |  |  |  |  |  |  |  |
| 1970-January |  | 1,333 | 125 | 4,567 | 21 | 1,284 | 25 | 533 667 | 12 | 610 318 | 8 13 | 2,201 1,028 | 41 50 | 1,409 5,505 |
| March .. |  | 354 | $\begin{aligned} & 112 \\ & 111 \end{aligned}$ | 4,459 | 27 | 1,304 | 17 | 680 | 9 | 482 | 9 | 3,667 | 46 | 2,164 |
| April <br> May <br> June |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| July ..... <br> August <br> September |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| October November December .. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Three months 1969 | 58 | 1,306 | 304 | 13,595 | 54 | 2,531 | 53 | 2,178 | 29 | 930 | 26 | 24,408 | 107 | 6,215 |
| Three months 1970 | 51 | 2,463 | 359 | 13,542 | 71 | 3,460 | 67 | 1,880 | 32 | 1,410 | 30 | 6,896 | 137 | 9,078 |




| 1969 |  |  |  |  | 1970 |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{aligned} & \text { lst } \\ & \text { quarter } \end{aligned}$ | 2nd quarter | $\begin{gathered} \text { 3rd } \\ \text { quartex } \end{gathered}$ | 4th quarter | Total | 1.8 t quarter | 2nd quarter | 3rd quarter | $\begin{aligned} & \text { 4th } \\ & \text { quarter } \end{aligned}$ | Total |

Manufacturing:


| 1 | 1 | - | 4 | 2 |
| ---: | ---: | ---: | ---: | ---: |
| 16 | 17 | 20 | 69 | 25 |
| 6 | 8 | 18 | 47 | 22 |
| 13 | 17 | 10 | 54 | 17 |
| 27 | 16 | 32 | 104 | 24 |
| 63 | 59 | 80 | 278 | 90 |

Construction
$\left.\begin{array}{rrrr}\text { Under } \$ 5,000 & \ldots \ldots . . & 1 \\ \$ 5,000 & \text { to } & 25,000 & \ldots\end{array}\right) 54$

Trade:

| Under $\$ 5,000$ | $\ldots \ldots \ldots$ | 8 |  |
| ---: | ---: | ---: | ---: |
| $\$ 5,000$ | to $\$ 25,000$ | $\ldots$ | 153 |
| 25,000 | 50,000 | $\ldots$ | 86 |
| 30,000 | 100,000 | $\ldots$ | 37 |
| Mer $\$ 100,000$ | $\ldots \ldots \ldots$ | 20 |  |
| Totals $\ldots \ldots \ldots$ | 304 |  |  |

6
133
62
31
18
250
182

| 37 | 13 |
| ---: | ---: |
| 592 | 188 |
| 296 | 86 |
| 137 | 46 |
| 88 | 26 |
| 1,150 | 359 |

Service:
$\left.\begin{array}{rrr}\text { Under } \$ 5,000 & \ldots \ldots \ldots & 11 \\ \$ 5,000 \text { to } \$ 25,000 & \ldots & 55 \\ 25,000 & 50,000 & \ldots\end{array}\right) 22$.

$$
5,000 \text { to } \$ 25,000 \ldots
$$

5

$$
\begin{array}{r}
5 \\
53 \\
30
\end{array}
$$ 50,000 " $100,000 \ldots$

ver $\$ 100,000$.............
Totals ................ 107

## Total Canada:

| Under \$5,000 |
| :---: |
| \$ 5,000 to \$ 25,000 |
| 25,000 50,000 |
| 50,000 " 100,000 |
| Over \$ 100,000 |

19
281
124
86
79
589
25
264
148
97
84
618
22
368
172
97
113
772

$$
\begin{array}{r}
27 \\
395 \\
208 \\
111 \\
121 \\
862
\end{array}
$$

Quebec:

| Under \$5,000 | 15 |
| :---: | :---: |
| \$ 5,000 to \$ 25,000 | 199 |
| 25,000 " 50,000 | 94 |
| 50,000 ${ }^{\text {m }} 100,000$ | 49 |
| Over $\$ 100,000$ | 58 |
| Totals | 415 |

13
129
64
42
42
290
13
129
80
49
47
318

15
189
93
44
60
401


Ontario:


$$
\begin{array}{r}
5 \\
112 \\
36 \\
29 \\
26 \\
208
\end{array}
$$

10
98
48
29
24
209

$$
\begin{array}{r}
5 \\
125 \\
61 \\
40 \\
31 \\
262
\end{array}
$$

$$
\begin{array}{r}
12 \\
140 \\
76 \\
38 \\
32 \\
298
\end{array}
$$

TABLE 5. Average Estimated Liability per Failure(1) by Months, Economic Areas and satacted Zadur :ay Groupa


TABLE 6. Wage-Earner Fallures and Proposals, by Months and Economic Arta3

|  | Wage-earner failures |  |  |  |  |  | Proposals |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Canada | Atlantic Provinces | Quebec | Ontario | Pralife Provinces | British Columbia | Canada | Quebec | Ontario | Other Provinces |
| 1969-January | 112 | 1 | 46 | 53 | 3 | 9 | 29 | 28 | - | 1 |
| February . | 133 | 3 | 61 | 57 | 4 | 8 | 33 | 31 | 2 | - |
| March .... | 148 | 1 | 50 | 87 | 7 | 3 | 37 | 31 | 6 | - |
| April ...... | 97 | 1 | 28 | 52 | 7 | 9 | 31 | 23 | 4 | 4 |
| May . . . . . . . | 128 | 1 | 42 | 75 | 8 | 2 | 20 | 15 | 4 | 1 |
| June . | 105 | 3 | 37 | 53 | 6 | 6 | 17 | 14 | 3 | - |
| July . | 97 | - | 39 | 53 | 3 | 2 | 21 | 17 | 3 | 1 |
| August ..... | 94 | 1 | 39 | 41 | 5 | 8 | 12 | 10 | 2 | 1 |
| September .. | 124 | 3 | 41 | 70 | 6 | 4 | 25 | 20 | 4 | 1 |
| October ... | 136 | 1 | 42 | 73 | 14 | 6 | 25 | 19 | 6 | 1 |
| November .... | 130 | 2 | 55 | 57 | 13 | 3 | 23 | 17 | 5 | $1$ |
| December .... | 140 | 1 | 43 | 76 | 13 | $7$ | $27$ | $25$ | $1$ | $1$ |
| 1970-January .... |  |  | 28 |  |  |  | 20 | 17 | - | 3 |
| February .... | 173 | 2 | 54 | 99 | $14$ | $4$ | 21 | 15 | 6 | 3 |
| March ....... | 172 | 1 | 57 | 101 | 6 | 7 | 34 | 25 | 5 | 4 |
| Apr 11 |  |  |  |  |  |  |  |  |  |  |
| May <br> June |  |  |  |  |  |  |  |  |  |  |
| July....... |  |  |  |  |  |  |  |  |  |  |
| August ..... |  |  |  |  |  |  |  |  |  |  |
| September .. |  |  |  |  |  |  |  |  |  |  |
| October . . . |  |  |  |  |  |  |  |  |  |  |
| November . . . |  |  |  |  |  |  |  |  |  |  |
| Decamber . |  |  |  |  |  |  |  |  |  |  |
| Three months 1969 | 337 | 5 | ij\% | 137 | 14 |  | 33 | 35 | 8 | i |
| Three months 1970 | 46.8 | 3 | 134 | 281 | 3.9 | 15 | ? 3 | 37 | 11 | 7 |

