

CHAPTER XXIV.—COMMERCIAL FAILURES.

According to Section 91 of the British North America Act, "the exclusive legislative authority of the Parliament of Canada" extends to bankruptcy and insolvency legislation, and an Insolvency Act (32-33 Vict., c. 16) was actually passed by the Dominion Parliament in 1869, applying to the four original provinces. This Act was in force for four years and was renewed by c. 46 of the Statutes of 1874, while in 1875 a new Insolvency Act (38 Vict., c. 16) applicable to the whole Dominion was passed, but was repealed in 1880. After this there was no Dominion legislation on the subject of bankruptcy until 1919. During the interval of nearly 40 years commercial failures were handled under provincial legislation, and the statistics relating to such failures during this period were compiled and published by Dun's and Bradstreet's commercial agencies. In 1919 a general Dominion Bankruptcy Act was passed (9-10 Geo. V, c. 36). Statistics of commercial failures dealt with under this Act since it came into force in 1920 have been compiled and published by the Dominion Bureau of Statistics. (See pp. 1036-1038.)

The history of commercial failures in Canada is traced by years from 1915 in Table 3.

Failures, by Divisions of Industry.—In every year the great majority of the commercial failures of the country are found among the trading establishments which are so much more numerous than the manufacturing. Thus, according to Dun and Bradstreet's records, out of a total of 1,627 commercial failures in Canada in 1934, 1,027 were among the retail trading establishments, including 413 in food, 195 in textiles and clothes and 104 general stores.

Out of the 389 manufacturers who failed, 93 were in foods, 63 in the textiles and clothes business and 46 among manufacturers of forest products. The larger scale on which manufacturers operate is evident from the fact that the defaulted liabilities of the 389 manufacturers were nearly as great as those of the 1,027 retail traders. The figures of commercial failures are analysed in detail for the years 1933 and 1934 in Table 1, while the totals are given by provinces for the same years in Table 2.

1.—Commercial Failures in Canada, by Industries, calendar years 1933 and 1934.

(From the *Dun and Bradstreet Review*.)

Industry and Division.	Failures.		Liabilities.	
	1933.	1934.	1933.	1934.
	No.	No.	\$	\$
Manufacturers—				
Chemicals and drugs.....	22	15	297,125	138,309
Foods.....	106	93	1,908,013	1,878,472
Forest products.....	58	46	1,197,315	1,252,834
Iron, steel and hardware.....	43	36	850,126	405,211
Leather and shoes.....	30	29	1,168,571	452,830
Machinery.....	18	8	195,031	104,375
Non-ferrous metals.....	22	9	328,479	232,637
Paper and paper products.....	2	1	75,607	14,622
Petroleum and coal.....	6	3	168,329	107,369
Printing and publishing.....	19	15	429,097	201,971
Rubber products.....	3	2	258,655	22,428
Stone, clay and glass.....	17	14	499,506	247,308
Textiles and clothes.....	116	63	2,220,717	957,268
Transportation equipment.....	21	14	318,373	248,657
All other.....	61	41	870,603	774,293
Totals, Manufacturers.....	544	389	10,785,547	7,038,589