

## 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of 1874, while in 1875 a new Insolvency Act (38 Vict., c. 16) applicable to the whole Dominion was passed, but was repealed in 1880.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. 970-971.)

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 1,402 commercial failures in Canada in 1935, 839 were among the retail trading establishments, including 329 in food, 173 in textiles and clothes and 139 in the "all other" classification which includes general stores.

Out of the 355 manufacturers who failed, 87 were in the textiles and clothes business 54 in foods and 49 among manufacturers of forest products. The larger scale on which manufacturers operate is evident from the fact that the defaulted liabilities of the 355 manufacturers were greater than those of the 839 retail traders. The figures of commercial failures are analysed in detail for the years 1934 and 1935 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 1934 and 1935.

(From the *Dun and Bradstreet Review*.)

Industry and Division.	Failures.		Liabilities.	
	1934.	1935.	1934.	1935.
	No.	No.	000 \$	000 \$
<b>Manufacturers—</b>				
Chemicals and drugs.....	15	13	138	164
Foods.....	93	54	1,879	858
Forest products.....	46	49	1,253	1,221
Iron, steel and hardware.....	36	19	405	346
Leather and shoes.....	29	24	453	325
Machinery.....	8	7	104	480
Non-ferrous metals.....	9	18	233	333
Paper and paper products.....	1	3	15	34
Petroleum and coal.....	3	3	107	68
Printing and publishing.....	15	19	202	269
Rubber products.....	2	4	23	179
Stone, clay and glass.....	14	7	247	225
Textiles and clothes.....	63	87	957	822
Transportation equipment.....	14	7	249	18
All other.....	41	41	774	383
<b>Totals, Manufacturers.....</b>	<b>389</b>	<b>355</b>	<b>7,039</b>	<b>5,725</b>