

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of 1874, while in 1875 a new Insolvency Act (38 Vict., c. 16) applicable to the whole Dominion was passed, but was repealed in 1880.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. 953-954.)

Table 1 below gives summary statistics of industrial and commercial failures in Canada, by classes for 1934 and 1935 and by classes and provinces, for 1936. At p. 969 of the 1936 Year Book a historical table gives failures for Canada and Newfoundland by classes for the years 1915 to 1935. Early in 1936, however, Dun and Bradstreet, Incorporated, adopted a new method of classification. The principal changes consisted of setting up a new group of construction enterprises previously included in manufacturing and a new class for commercial service. Real estate companies, holding, and other financial companies, and agents of various kinds were dropped. These changes have had the effect of confining the failure records more to industrial and commercial lines of activity, and liabilities are reduced more in proportion to the number of failures since the companies eliminated usually ran high in indebtedness. The present figures of Table 1 are not comparable with those given at p. 969 of the 1936 Year Book, to which the reader is referred for earlier historical data, both because of the above reasons and because the earlier statistics cover Canada and Newfoundland whereas these are for Canada only.

1.—Industrial and Commercial Failures in Canada, by Classes, 1934-36, and by Provinces 1936.

(From Dun and Bradstreet, Incorporated.)

Year and Province.	Manu- facturing.		Wholesale Trade.		Retail Trade.		Con- struction.		Commercial Service.		Totals.	
	No.	Lia- bilities.	No.	Lia- bilities.	No.	Lia- bilities.	No.	Lia- bilities.	No.	Lia- bilities.	No.	Lia- bilities.
		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000
Totals, 1934	303	6,056	82	2,518	1,068	8,767	63	950	84	751	1,600	19,042
Totals, 1935	285	5,044	65	1,249	879	5,202	58	689	80	910	1,367	13,094
1936.												
P.E. Island.....	Nil	-	1	11	7	73	Nil	-	Nil	-	8	84
Nova Scotia.....	4	67	Nil	-	27	148	4	23	1	1	36	239
New Brunswick....	5	19	1	1	10	107	Nil	-	Nil	-	16	127
Quebec.....	131	2,109	29	453	309	1,811	27	532	30	352	526	5,257
Ontario.....	98	1,963	23	877	276	1,160	4	4	31	86	432	4,090
Manitoba.....	5	58	5	38	75	403	2	15	3	22	90	536
Saskatchewan.....	2	4	Nil	-	35	177	Nil	-	Nil	-	37	181
Alberta.....	3	2	2	20	46	305	Nil	-	2	7	53	334
British Columbia...	12	237	2	54	21	147	Nil	-	5	28	40	466
Totals, 1936	260	4,459	63	1,454	806	4,331	37	574	72	496	1,238	11,314