

## CHAPTER XXIV.—COMMERCIAL FAILURES.

According to Sec. 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of 1874, while in 1875 a new Insolvency Act (38 Vict., c. 16) applicable to the whole Dominion was passed, but was repealed in 1880.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 p. 978.)

Table 1 below gives summary statistics of industrial and commercial failures in Canada, by classes for 1934, 1935, and 1936 and by classes and provinces, for 1937. 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, 1934-37, and by Provinces 1937.

(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
<b>Totals, 1934 . . .</b>	<b>393</b>	<b>6,056</b>	<b>82</b>	<b>2,518</b>	<b>1,068</b>	<b>8,767</b>	<b>63</b>	<b>959</b>	<b>84</b>	<b>751</b>	<b>1,600</b>	<b>19,042</b>
<b>Totals, 1935 . . .</b>	<b>285</b>	<b>5,044</b>	<b>65</b>	<b>1,249</b>	<b>879</b>	<b>5,202</b>	<b>58</b>	<b>689</b>	<b>80</b>	<b>910</b>	<b>1,367</b>	<b>13,094</b>
<b>Totals, 1936 . . .</b>	<b>260</b>	<b>4,459</b>	<b>63</b>	<b>1,454</b>	<b>806</b>	<b>4,331</b>	<b>37</b>	<b>574</b>	<b>72</b>	<b>496</b>	<b>1,238</b>	<b>11,314</b>
1937.												
P.E. Island . . . . .	Nil	-	Nil	-	2	5	Nil	-	Nil	-	2	5
Nova Scotia . . . . .	1	10	1	90	14	57	1	3	1	20	18	180
New Brunswick . . . . .	1	20	Nil	-	14	71	Nil	-	Nil	-	15	91
Quebec . . . . .	83	1,071	23	601	232	1,297	17	149	22	123	377	3,241
Ontario . . . . .	76	1,132	19	172	230	917	13	72	21	191	359	2,484
Manitoba . . . . .	12	175	3	27	49	140	1	2	3	20	68	364
Saskatchewan . . . . .	4	11	Nil	-	37	219	Nil	-	1	3	42	233
Alberta . . . . .	4	25	3	14	37	234	Nil	-	Nil	-	44	273
British Columbia . . . . .	9	431	2	21	15	101	1	2	Nil	-	27	555
<b>Totals, 1937 . . .</b>	<b>190</b>	<b>2,875</b>	<b>51</b>	<b>925</b>	<b>630</b>	<b>3,041</b>	<b>33</b>	<b>728</b>	<b>48</b>	<b>357</b>	<b>952</b>	<b>7,426</b>