

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of 1874, while in 1875 a new Insolvency Act (38 Vict., c. 16) applicable to the whole Dominion was passed, but was repealed in 1880.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. 1006.)

Table 1 below gives summary statistics of industrial and commercial failures in Canada, by classes for 1934-38, and by classes and provinces for 1938. 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, 1934-38, and by Provinces, 1938.

(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.....	343	6,456	82	2,518	1,068	8,767	63	959	84	751	1,600	19,042
Totals, 1935.....	285	5,044	65	1,249	873	5,209	58	889	89	910	1,347	12,094
Totals, 1936.....	289	4,459	65	1,454	888	4,431	37	574	72	496	1,238	11,314
Totals, 1937.....	190	2,675	51	823	630	3,941	33	229	48	357	852	7,426
1938.												
P. E. Island.....	Nil	-	Nil	-	Nil	-	Nil	-	Nil	-	Nil	-
Nova Scotia.....	3	43	1	126	22	188	1	4	1	24	28	385
New Brunswick.....	10	534	1	174	31	179	Nil	-	1	7	43	894
Quebec.....	113	2,022	25	498	309	2,024	20	136	15	165	482	4,845
Ontario.....	83	1,890	17	204	187	1,288	17	125	12	110	316	3,617
Manitoba.....	10	93	5	105	62	354	Nil	-	Nil	-	77	552
Saskatchewan.....	1	4	2	13	50	228	"	-	2	10	55	265
Alberta.....	Nil	-	Nil	-	24	90	"	-	Nil	-	24	90
British Columbia.....	5	174	4	109	14	113	1	2	"	-	24	398
Totals, 1938.....	325	4,766	55	1,229	699	4,464	33	267	31	316	1,649	11,626