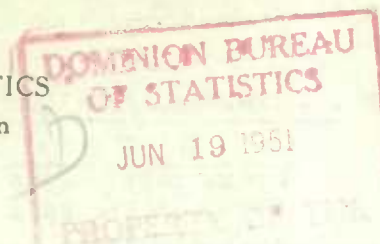




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COMMERCIAL FAILURES

UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

FIRST QUARTER 1951

Failures in Canada during the first quarter of 1951 numbered 400, an increase of five percent over the same period last year and the most unfavourable showing for any first quarter since 1934. Liabilities involved amounted to \$6.4 million as compared with \$6.3 million in 1950 and \$6.1 million in 1934. Since the first quarter of 1946, when failures for the period were the lowest on record, the number of insolvencies has been increasing steadily.

Owing to changes in the administration of bankruptcies as introduced by the Bankruptcy Act of 1949, the data for recent months are not comparable with preceding periods. In the third part of the Act, provision is made for proposals from insolvent persons. Since July 1950, agreements made under this method are not included with the statistics of bankruptcies. In table 6 of this report, however, the number of proposals is shown so as to give a general impression of the trend. Liabilities of insolvent persons making such agreements are not available.

Industrial Distribution.

The over-all gain in failures during the first quarter of 1951 as compared with the corresponding period last year was due to increases in the trade and construction sectors. Insolvencies of trading establishments totalled 168, a gain of 19 over 1950. Failures in construction numbered 39 compared with 26 during the first quarter last year. There was a slight decline in manufacturing and a drop of more than 12 percent in the number of bankruptcies in the services field. The net result was an aggregate gain of about five percent as compared with the first quarter of 1950.

Economic Areas.

The failures in Quebec receded from 308 in the first quarter of last year to 299 in 1951. As mentioned above, the latter figure does not include proposals. During the first three months of this year, proposals in Quebec numbered 49. The total for Canada was 51. The Atlantic Provinces recorded a gain of 5, including 2 in Newfoundland, data for which were not included last year. The Ontario figures rose from 45 in 1950 to 58 in the recent quarter while failures in British Columbia were practically unchanged. The gain in the Prairie Provinces was from 4 to 14, due mainly to the 9 failures reported in Manitoba. There were no failures in this province during the first quarter of 1950.

Insolvency.

It must be emphasized that insolvencies can occur through other means than the Bankruptcy and Winding Up Acts to which the statistics of this report relate. Relevant legislation includes the Farmers' Creditors Arrangement Act, the Companies' Creditors Arrangement Act and various provincial Bulk Sales Acts. Statistics are not included here for cases dealt with under this legislation.

TABLE 1 - COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1950 and 1951

	Total		Agri- cul- ture	Logging Fishing Trapping	Min- ing	Manufactures				
	Number	Liabilities in Thousand Dollars				Total	Vegetable Foods	Fur and Leather	Lumber & Manu- factures	
1949x	1,066	21,356	8	10	10	232	31	34	46	
1950x	1,303	24,872	24	7	5	257	38	33	36	
1950										
Jan. ...	117	2,038	-	1	1	21	3	5	3	
Feb. ...	132	2,165	3	-	1	28	4	4	4	
Mar. ...	133	2,104	1	1	2	32	5	4	3	
Apr. ...	121	2,363	3	-	1	24	2	3	2	
May	103	2,071	2	-	-	21	2	3	4	
June ...	114	1,700	1	2	-	22	3	3	3	
July (1)	78	2,029	1	-	-	15	2	1	3	
Aug. ...	85	1,956	1	-	-	19	3	1	3	
Sept. ..	86	1,813	3	-	-	11	1	1	1	
Oct. ...	111	2,172	4	-	-	24	4	4	4	
Nov. ...	137	2,504	4	-	-	25	6	2	5	
Dec. ...	86	1,957	1	3	-	15	3	2	1	
1951										
Jan. ...	137	2,282	-	2	2	33	4	4	6	
Feb. ...	134	2,025	1	1	1	21	3	5	2	
Mar. ...	129	2,112	2	-	-	25	4	3	3	
	Manufactures	Con- struc- tion	Trans- porta- tion	Trade			Fin- ance	Ser- vice	Not Class- ified	
	Iron and Steel			Total	General Stores	Grocery	Clothing			
1949x	15	94	46	374	45	47	40	19	203	70
1950x	12	97	40	502	45	60	67	20	273	78
1950										
Jan. ...	-	9	1	47	5	6	8	1	33	3
Feb. ...	2	8	4	53	3	5	6	2	26	7
Mar. ...	1	9	3	49	2	7	9	2	30	4
Apr. ...	1	11	5	41	3	6	6	2	24	10
May	1	6	2	45	7	6	5	2	16	9
June ...	1	8	3	49	3	7	8	-	17	12
July ...	-	6	3	32	2	4	5	1	17	3
Aug. ...	-	10	2	23	2	2	5	2	21	7
Sept. ..	-	4	3	38	4	5	6	2	19	6
Oct. ...	2	9	7	36	4	3	1	2	23	6
Nov. ...	2	12	3	52	6	6	4	2	32	7
Dec. ...	2	5	4	37	4	3	4	2	15	4
1951										
Jan. ...	2	13	2	61	6	4	10	1	21	2
Feb. ...	1	10	3	55	4	4	6	1	36	5
Mar. ...	1	16	4	52	5	8	12	3	21	6

x Annual totals

(1) As of July, 1950, proposals are not included.

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS

FOR THE FIRST QUARTER 1951, WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for First Quarter		
						1951	1950	1949
TRADE								
General Stores	2	9	3	-	1	15	10	13
Grocery	2	10	3	-	1	16	18	9
Confectionery	-	8	2	1	2	13	6	6
Drink and Tobacco	-	1	2	-	-	3	-	-
Fish and Meat	-	11	-	-	-	11	15	5
Boots and Shoes	-	6	-	-	-	6	11	4
Dry Goods	-	6	-	-	-	6	11	9
Clothing	-	19	4	3	2	28	23	9
Furniture	-	8	3	-	-	11	4	3
Books and Stationery ...	-	4	2	-	-	6	3	1
Automobile	-	2	2	1	-	5	3	3
Hardware	3	1	1	1	1	7	5	3
Electric Apparatus	-	7	1	-	-	8	5	7
Jewelry	-	5	1	1	-	7	9	6
Coal and Wood	-	4	-	-	-	4	7	2
Drugs and Chemicals	-	1	-	-	1	2	3	-
Miscellaneous	1	9	7	2	1	20	16	13
Total Trade	8	111	31	9	9	168	149	93
MANUFACTURES								
Vegetable Foods	-	8	3	-	-	11	12	6
Drink and Tobacco	-	1	-	-	-	1	-	-
Animal Foods	-	6	-	-	-	6	8	2
Fur and Leather	-	10	-	2	-	12	13	10
Pulp and Paper	-	6	-	-	-	6	5	2
Textiles	-	13	-	-	-	13	12	2
Clothing	-	7	1	-	-	8	5	5
Lumber and Manufactures	1	9	1	-	-	11	10	16
Iron and Steel	-	3	1	-	-	4	3	1
Non-ferrous Metals	-	-	-	1	-	1	3	1
Non-metallic Minerals ..	-	-	-	-	-	-	1	1
Drug and Chemicals	-	-	-	-	-	-	1	4
Miscellaneous	-	6	-	-	-	6	8	7
Total Manufactures	1	69	6	3	-	79	81	57
SERVICE								
Garage	1	10	2	-	1	14	11	14
Other custom and repair	-	9	1	-	-	10	17	9
Personal Service	-	8	-	-	2	10	16	7
Restaurants	-	16	2	-	2	20	21	8
Professional Service ...	-	10	1	-	-	11	6	7
Recreational Service ...	-	1	-	-	-	1	2	1
Business Service	-	12	-	-	-	12	6	5
Total Service	1	66	6	-	5	78	89	51

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR
THE FIRST QUARTER, 1951, WITH COMPARISONS - Concluded

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for First Quarter		
						1951	1950	1949
OTHER								
Agriculture	-	3	-	-	-	3	4	2
Logging, Fish & Trapping	-	3	-	-	-	3	2	4
Mining	-	1	1	1	-	3	4	1
Construction	-	29	8	-	2	39	26	21
Transportation and Public Utilities	1	7	1	-	-	9	8	16
Finance	-	5	-	-	-	5	5	4
Not Classified	2	5	5	1	-	13	14	21
Total Other	3	53	15	2	2	75	63	69
GRAND TOTAL	13	299	58	14	16	400	382	270

TABLE 3. WAGE-EARNER FAILURES, FIRST QUARTER, 1951, WITH COMPARISON^x

	Atlantic Provinces	Quebec	Ontario	Prai- ries	British- Columbia	T o t a l	
						First Quarter, 1951	First Quarter, 1950
Trade	-	8	-	-	-	8	5
Manufactures	-	4	-	-	-	4	-
Service	-	20	-	-	-	20	15
Other	-	10	-	-	-	10	13
Total	-	42	-	-	-	42	33

x Data included in Tables 1,2,4 and 5.

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, FIRST QUARTER, 1951, WITH COMPARISONS

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	2	3	102	19	3	1	3	4	137
February	1	-	2	2	100	18	5	-	-	6	134
March	1	-	1	1	97	21	1	-	1	6	129
First Quarter, 1951	2	-	5	6	299	58	9	1	4	16	400
1950	..	-	3	5	308	45	-	-	4	17	382
1949	..	1	2	6	204	33	2	1	5	16	270

TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED
ASSETS AND LIABILITIES, FIRST QUARTER OF 1951, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Newfoundland	2	-	-
Prince Edward Island	-	-	-
Nova Scotia	5	8,085	17,416
New Brunswick	6	21,649	53,814
Quebec	299	2,675,211	4,366,558
Ontario	58	1,093,135	1,494,014
Manitoba	9	110,554	128,707
Saskatchewan	1	17,053	24,291
Alberta	4	18,145	23,623
British Columbia	16	242,974	311,097
Comparative Total for the First Quarter - 1951	400	4,186,806	6,419,520
1950	382	4,040,543	6,307,156
1949	270	2,659,506	4,195,655
1948	203	1,446,319	3,405,855
1947	120	954,602	1,431,807
1944	94	535,644	1,185,693
1939	371	2,614,428	3,592,118
1932	667	12,971,869	11,110,423
1929	646	8,076,661	13,143,000

TABLE 6. PROPOSALS AS PER BANKRUPTCY ACT, PART 3

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1950											
July	-	-	-	-	10	3	-	-	-	-	13
August	-	-	-	-	13	2	-	-	-	1	16
September	-	-	-	1	4	1	-	-	-	1	7
October	-	-	-	-	8	-	-	-	-	-	8
November	-	-	-	-	18	1	1	-	-	-	20
December	-	-	-	1	13	-	-	-	-	1	15
1951											
January	-	-	-	-	12	-	-	-	-	-	12
February	-	-	-	-	20	-	-	-	-	1	21
March	-	-	-	-	17	1	-	-	-	-	18

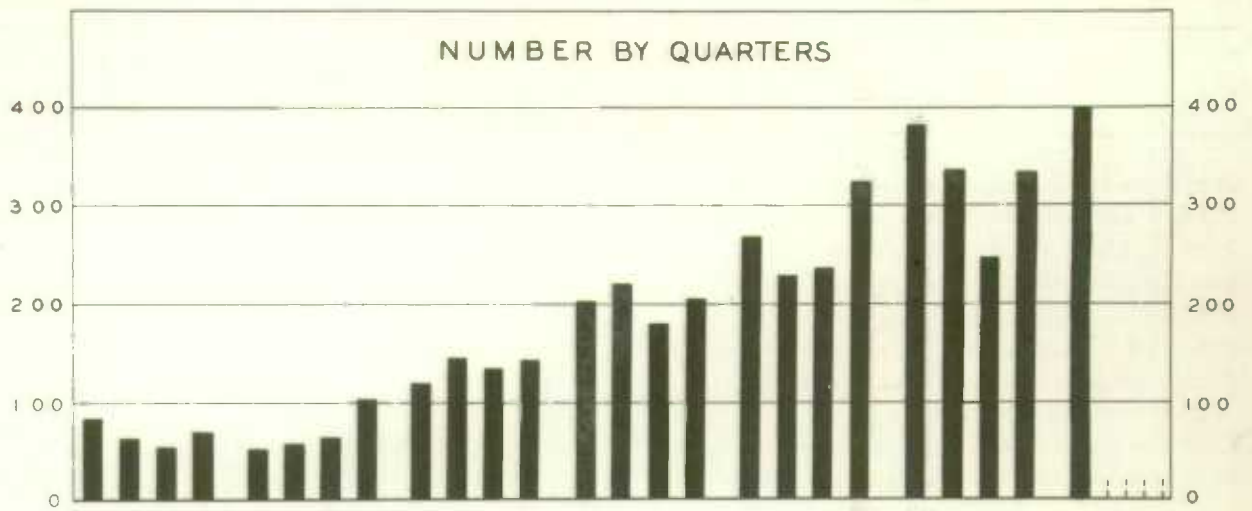
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COMMERCIAL FAILURES

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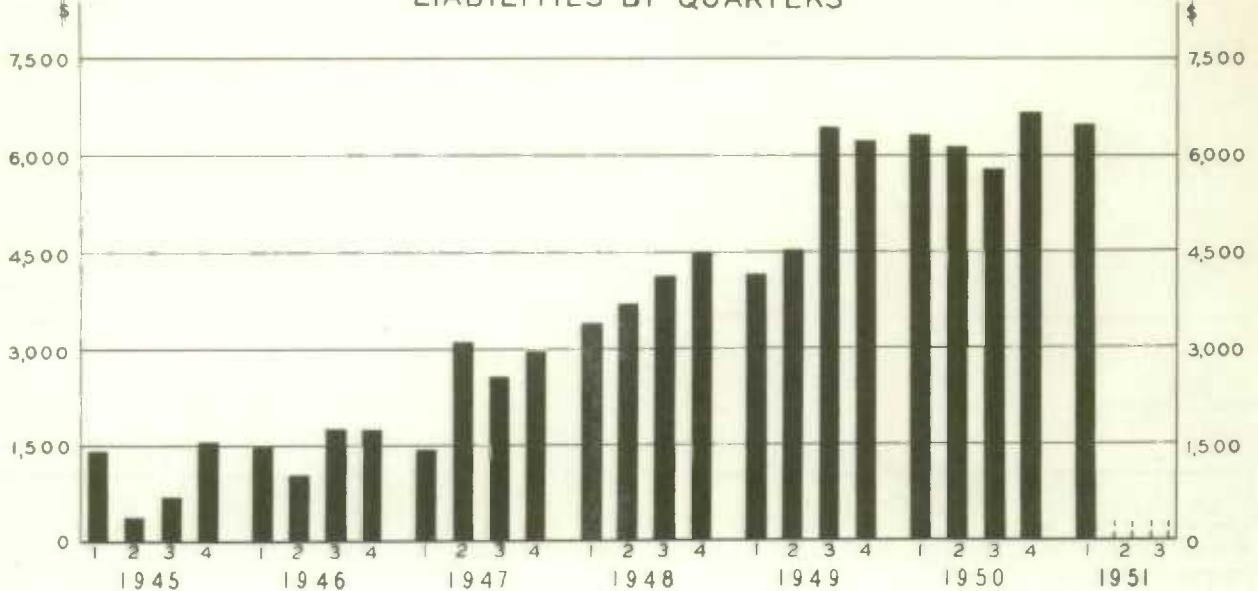
NUMBER



THOUSAND

LIABILITIES BY QUARTERS

THOUSAND



CANADA

UNITED STATES

