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COMMERCIAL FAILURESUNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTSSECOND QUARTER 1951.

The number of failures in Canada during the second quarter of 1951 was 318, representing a decline of 6 per cent from the total of 338 registered in the corresponding period last year. The estimated total of liabilities also dropped slightly, having stood at \$5,835 thousand compared with \$6,135 thousand in the second quarter of 1950.

During the first six months of 1951 commercial failures numbered 718, showing virtually no change from the 720 recorded in the same period of 1950. In the same comparison, liabilities totalled \$12,254 thousand against \$12,441 thousand, a decline of less than 2 per cent. The levels of both failures and liabilities in the first half of 1950 were higher than in any comparable period since 1934. The average liability this year stood at \$17,067 compared with \$17,279 in the corresponding period last year.

Owing to changes in the administration of bankruptcies as introduced by the Bankruptcy Act of 1949, the data for the past 12 months are not comparable with preceding periods. Since July 1950, proposals from insolvent persons 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.

Failures by Industries

There were fewer insolvencies in manufacturing and service businesses during the first six months of 1951 than in the same period last year. Failures of manufacturing enterprises numbered 137 compared with 148 in the first half of 1950, and bankruptcies in the services field declined from 146 to 139. In the same comparison, defaults of trading establishments rose more than 6 per cent to 303. There were 67 failures in construction compared with 51 last year.

Failures by Economic Areas

Bankruptcies in Quebec province declined nearly 7 per cent, from 566 to 529, in the six months comparison. As explained previously the 1951 figures do not include proposals, the bulk of which are registered in Quebec. In the first half, the total number of proposals was 102. Failures in Ontario rose 27 per cent to 108. Increases were also recorded in the Atlantic and Prairie regions, the number in the Atlantic Provinces having risen from 18 to 23 and in the Prairies from 17 to 24. Insolvencies in British Columbia remained unchanged at 34.

Insolvency

It must be emphasized that insolvencies can occur through other means than the Bankruptcy and Winding Up Acts. Relevant legislation includes the Farmers' Creditors' Arrangement Act, the Companies Creditors' Arrangement Act and various provincial Bulk Sales Acts. Statistics in this report relate to the Bankruptcy and Winding Up Acts only.

Prepared in the Business Statistics Section.

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	
Apr.	124	2,374	-	-	-	20	5	2	3	
May	97	1,787	1	-	-	22	2	2	1	
June ...	97	1,674	2	-	-	16	3	2	2	
	Manufactures	Con-	Trans-	Trade			Fin- Ser- Not			
	Iron and	struc-	porta-	Total	General	Grocery	Clothing	ance	vice	Class-
	Steel	tion	tion		Stores					ified
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
Apr.	1	10	5	56	6	7	6	1	27	5
May	3	7	4	42	5	5	6	-	14	7
June ...	-	11	2	37	6	5	4	3	20	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 SECOND QUARTER 1951, WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1951	1950	1949
TRADE								
General Stores	2	12	2	1	-	17	13	8
Grocery	-	12	2	2	1	17	19	10
Confectionery	-	3	1	-	-	4	8	5
Drink and Tobacco	-	2	-	-	-	2	-	3
Fish and Meat	-	6	1	1	1	9	12	5
Boots and Shoes	-	2	-	-	-	2	5	5
Dry Goods	-	7	1	-	-	8	10	5
Clothing	-	12	3	-	1	16	19	10
Furniture	-	4	-	-	2	6	2	4
Books and Stationery ...	-	3	-	-	-	3	2	4
Automobile	-	2	-	-	-	2	3	1
Hardware	-	1	3	1	-	5	3	2
Electric Apparatus	-	3	-	-	1	4	2	5
Jewelry	-	7	2	1	-	10	6	2
Coal and Wood	1	5	2	-	-	8	3	4
Drugs and Chemicals	-	1	-	-	-	1	5	1
Miscellaneous	-	13	5	1	2	21	23	9
Total Trade	3	95	22	7	8	135	135	83
MANUFACTURES								
Vegetable Foods	-	6	2	1	1	10	7	6
Drink and Tobacco	-	-	-	-	-	-	-	-
Animal Foods	-	2	1	-	-	3	2	-
Fur and Leather	-	5	1	-	-	6	9	8
Pulp and Paper	-	3	1	-	-	4	1	3
Textiles	-	3	-	-	-	3	6	3
Clothing	-	10	2	-	-	12	15	8
Lumber and Manufactures	-	5	1	-	-	6	9	10
Iron and Steel	-	3	1	-	-	4	3	3
Non-ferrous Metals	-	2	-	-	-	2	-	5
Non-metallic Minerals ..	-	3	-	1	-	4	3	1
Drug and Chemicals	-	1	-	-	-	1	-	2
Miscellaneous	-	3	-	-	-	3	12	5
Total Manufactures	-	46	9	2	1	58	67	54
SERVICE								
Garage	-	7	2	-	-	9	12	9
Other custom and repair	1	10	1	-	1	13	11	4
Personal Service	1	14	-	-	-	15	13	8
Restaurants	-	9	1	-	1	11	11	9
Professional Service ...	-	8	1	-	-	9	3	6
Recreational Service ...	-	1	1	-	-	2	2	3
Business Service	-	2	-	-	-	2	5	2
Total Service	2	51	6	-	2	61	57	41

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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1951	1950	1949
OTHER								
Agriculture	1	2	-	-	-	3	6	-
Logging, Fish & Trapping	-	-	-	-	-	-	1	1
Mining	-	-	-	-	-	-	2	4
Construction	2	14	9	1	2	28	25	19
Transportation and Public Utilities	1	6	1	-	3	11	10	7
Finance	-	4	-	-	-	4	4	6
Not Classified	1	12	3	-	2	18	31	15
Total Other	5	38	13	1	7	64	79	52
GRAND TOTAL	10	230	50	10	18	318	338	230

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

	Atlantic Provinces	Quebec	Ontario	Prai- ries	British Columbia	T o t a l	
						Second Quarter, 1951	Second Quarter, 1950
Trade	-	7	1	-	-	8	7
Manufactures	-	4	-	-	-	4	3
Service	-	12	1	-	-	13	14
Other	-	6	-	-	-	6	6
Total	-	29	2	-	-	31	30

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, SECOND 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
April	-	-	2	2	92	17	-	1	-	10	124
May	1	-	-	2	76	11	-	3	-	4	97
June	1	-	-	2	62	22	1	-	5	4	97
Six Months Total, 1951	4	-	7	12	529	108	10	5	9	34	718
Six Months Total, 1950	-	1	9	8	566	85	7	1	9	34	720
Six Months Total, 1949	-	2	2	7	380	59	7	2	8	33	500

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

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
Newfoundland	2	\$ 40,938	\$ 33,194
Prince Edward Island	-	-	-
Nova Scotia	2	29,510	47,899
New Brunswick	6	41,900	66,963
Quebec	230	2,775,044	3,673,486
Ontario	50	1,269,812	1,563,235
Manitoba	1	3,783	11,026
Saskatchewan	4	26,139	38,021
Alberta	5	23,972	47,659
British Columbia	18	183,202	353,646
Comparative Total for the Second Quarter - 1951	318	4,394,300	5,835,129
1950	338	4,529,106	6,135,180
1949	230	3,661,513	4,529,840
1948	222	2,570,683	3,716,852
1947	146	1,887,252	3,101,753
1944	61	400,925	756,584
1939	346	2,788,143	4,189,660
1932	573	11,596,713	16,108,434
1929	507	7,534,078	7,882,774

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
<u>1950</u>											
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
<u>1951</u>											
January	-	-	-	-	12	-	-	-	-	-	12
February	-	-	-	-	20	-	-	-	-	1	21
March	-	-	-	-	17	1	-	-	-	-	18
April	-	-	1	-	9	3	-	-	-	-	13
May	-	-	-	-	15	-	-	-	-	-	15
June	-	-	2	-	18	1	-	-	-	2	23



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COMMERCIAL FAILURES

