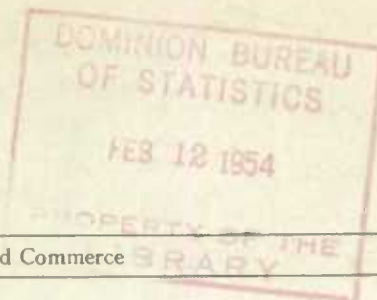




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COMMERCIAL FAILURES

UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

THIRD QUARTER 1951

During the third quarter of 1951 failures under the provisions of the Bankruptcy and Winding Up Acts numbered 312 as compared with 248 during the same period of 1950, an increase of nearly 26 per cent. The estimated total of liabilities was \$6,341 thousand, or more than 9 per cent higher than in the corresponding period last year.

Failures during the first nine months totalled 1,030, representing a gain of more than 6 per cent over the 968 recorded in 1950. In the same comparison total liabilities were \$18,595 thousand against \$18,239 thousand last year. The average liability of bankrupt firms in the nine-month period amounted to \$18,053, somewhat lower than the average of \$18,842 during the first nine months of 1950.

Owing to changes in the administration of bankruptcies as introduced by the Bankruptcy Act of 1949, the data for the past 15 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

During the first nine months of 1951, there were 435 insolvencies of trading establishments as compared with 377 in the same period of 1950, an advance of over 15 per cent. Failures in the construction field rose from 71 to 94 in the same comparison. Defaults of manufacturing enterprises totalled 193, exactly the same number as last year. Failures of service businesses fell off from 203 during the first nine months of 1950 to 193.

Failures by Economic Areas

Bankruptcies in the province of Quebec increased nearly 4 per cent, from 735 to 763, in the nine months' comparison, despite the fact that the 1951 figures do not include proposals, the bulk of which are registered in Quebec. The number of failures in Ontario rose 19 per cent, from 132 to 157. Bankruptcies in the Prairie region advanced from 23 to 33, and in the Atlantic Provinces from 30 to 34. By contrast, insolvencies in British Columbia declined from 48 to 43.

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										
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. ...	84	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	
July ...	105	2,401	1	-	-	16	1	2	4	
Aug. ...	119	2,293	1	1	-	22	3	1	5	
Sept. ...	88	1,647	1	-	-	18	1	2	2	
	Manufactures	Con- struc- tion	Trans- porta- tion	Trade			Fin- ance	Ser- vice	Not Class- ified	
	Iron and Steel			Total Stores	General	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										
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	6
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
July ...	1	9	6	50	6	12	8	1	18	4
Aug. ...	1	12	2	53	3	4	6	1	19	8
Sept. ...	1	6	2	29	3	5	4	4	17	11

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 THIRD QUARTER 1951, WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1951	1950	1949
TRADE								
General Stores	-	9	1	1	1	12	8	11
Grocery	1	15	4	1	-	21	11	11
Confectionery	-	5	-	-	-	5	8	2
Drink and Tobacco	-	1	1	-	-	2	-	-
Fish and Meat	2	12	1	-	-	15	8	8
Boots and Shoes	-	5	-	-	-	5	1	4
Dry Goods	-	3	-	-	-	3	3	1
Clothing	-	14	2	1	-	17	16	9
Furniture	-	4	-	1	1	6	4	2
Books and Stationery ..	-	5	-	-	-	5	1	1
Automobile	-	4	-	-	-	4	2	2
Hardware	-	4	-	-	-	4	3	2
Electric Apparatus	1	4	-	-	-	5	3	7
Jewelry	-	4	1	-	-	5	1	3
Coal and Wood	-	3	-	-	-	3	2	1
Drugs and Chemicals ...	-	2	-	-	-	2	2	1
Miscellaneous	1	10	6	1	-	18	20	24
Total Trade	5	104	16	5	2	132	93	89
MANUFACTURES								
Vegetable Foods	-	5	-	-	-	5	6	9
Drink and Tobacco	-	-	-	-	-	-	-	-
Animal Foods	1	-	-	-	-	1	2	-
Fur and Leather	-	3	2	-	-	5	3	5
Pulp and Paper	-	2	-	-	-	2	4	2
Textiles	-	2	-	-	-	2	4	1
Clothing	-	8	2	-	-	10	7	5
Lumber and Manufactures ..	2	9	-	-	-	11	7	6
Iron and Steel	1	2	-	-	-	3	-	6
Non-ferrous Metals	-	-	-	-	-	-	1	-
Non-metallic Minerals ..	-	-	1	1	-	2	1	3
Drugs and Chemicals ...	-	1	-	-	-	1	1	1
Miscellaneous	-	12	2	-	-	14	9	6
Total Manufactures	4	44	7	1	-	56	45	44
SERVICE								
Garage	-	6	-	1	-	7	10	11
Other custom and repair ..	-	7	1	-	-	8	8	8
Personal Service	-	8	2	1	-	11	12	16
Restaurants	-	12	3	1	-	16	13	8
Professional Service ..	-	1	-	-	-	1	6	2
Recreational Service ..	-	3	-	-	1	4	2	1
Business Service	-	4	2	-	1	7	6	2
Total Service	-	41	8	3	2	54	57	48

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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1951	1950	1949
OTHER								
Agriculture	-	2	1	-	-	3	5	3
Logging, Fish & Trapping	-	1	-	-	-	1	-	-
Mining	-	-	-	-	-	-	-	-
Construction	-	17	8	-	2	27	20	25
Transportation and Public Utilities	-	8	2	-	-	10	8	7
Finance	-	3	1	-	2	6	5	6
Not Classified	2	14	6	-	1	23	15	17
Total Other	2	45	18	-	5	70	53	58
GRAND TOTAL	11	234	49	9	9	312	248	239

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

	Atlantic Provinces	Quebec	Ontario	Prai- ries	British- Columbia	Total	
						Third Quarter, 1951	Third Quarter, 1950
Trade	-	8	1	-	-	9	3
Manufactures ...	-	4	-	-	-	4	-
Service	-	12	-	-	-	12	10
Other	-	10	-	-	-	10	13
Total	-	34	1	-	-	35	26

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, NINE MONTHS, 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
July	-	-	-	2	84	15	-	4	-	-	105
August	-	-	2	-	95	16	1	-	1	4	119
September	1	1	2	3	55	18	-	1	2	5	88
Nine Months' Total											
1951	5	1	11	17	763	157	11	10	12	43	1,030
1950	-	4	12	14	735	132	10	4	9	48	968
1949	-	2	2	8	571	89	11	3	9	44	739

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

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Newfoundland	1	6,177	65,099
Prince Edward Island	1	30,050	34,236
Nova Scotia	4	110,744	83,718
New Brunswick	5	98,789	134,320
Quebec	234	2,906,297	4,379,531
Ontario	49	1,006,144	1,137,055
Manitoba	1	82,346	144,468
Saskatchewan	5	35,337	62,965
Alberta	3	3,318	9,653
British Columbia	9	189,690	289,884
Comparative Total for the Third Quarter - 1951	312	4,468,892	6,340,979
1950	248	4,399,938	5,798,161
1949	239	5,150,543	6,418,224
1948	181	2,582,402	4,139,130
1947	136	1,698,737	2,596,741
1944	57	373,165	797,283
1939	343	3,206,118	3,789,520
1932	556	6,841,455	8,791,501
1929	437	7,066,742	9,315,961

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
April	-	-	1	-	9	3	-	-	-	-	13
May	-	-	-	-	15	-	-	-	-	-	15
June	-	-	2	-	18	1	-	-	-	2	23
July	-	-	-	-	12	1	-	-	-	-	13
August	-	-	-	-	15	1	-	-	-	-	16
September	-	-	-	1	14	-	-	-	-	1	16



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