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COMMERCIAL FAILURES

UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

FIRST QUARTER, 1952

During the first quarter of 1952, the number of failures under the provisions of the Bankruptcy and Winding Up Acts was 404, only slightly above the 402 registered in the corresponding period last year. The data indicate a continuation, however, of the upward trend in the number of failures since the end of the last war. Estimated liabilities involved amounted to \$6.1 million as compared with \$6.7 million in the first quarter of 1951.

Owing to changes in the administration of bankruptcies as introduced by the Bankruptcy Act of 1949, the data since July, 1950 are not comparable with preceding periods. In the third part of the Act, provision is made for proposals from insolvent persons. Agreements made under this method are not normally included with the statistics of bankruptcies, but when such proposals are rejected by the creditors or fail in their purpose the proceedings may then come under the Bankruptcy Act. In Table 6 of this report, the number of proposals is shown so as to give a general impression of the trend.

Failures by Industries

During the first quarter of 1952, failures in the trade sector, where the greatest number of business mortalities usually occurs, totalled 167 compared with 168 in the same period last year. Bankruptcies of manufacturing establishments numbered 74, a decline of 5 from last year. Service insolvencies increased from 77 in the first quarter of 1951 to 85 in 1952. Failures in the construction field declined by 1/3 to 26 in the same comparison.

Failures by Economic Areas

Bankruptcies in the Province of Quebec remained practically unchanged in the first three months, while failures in Ontario rose to 66 from 62 in the first quarter last year. Insolvencies in the Atlantic Provinces advanced from 13 to 16 while in the Prairie Provinces they declined from 13 to 9. In British Columbia the number of failures remained unchanged at 15.

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.

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TABLE 1 - COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1951 and 1952

| | | Total | Agric- | Logging | Min- | Manufactures | | | | |
|-------------------|--------|--------------|--------|----------|-------|--------------|-----------|----------|----------|--------|
| | Number | Liabilities | cul- | Fishing | ing | Total | Vegetable | Fur and | Lumber | |
| | | in Thousand | ture | Trapping | | | Foods | Leather | & Manu- | |
| | | Dollars | | | | | | | factures | |
| 1949 ^x | 1,066 | 21,356 | 8 | 10 | 10 | 232 | 31 | 34 | 46 | |
| 1950 ^x | 1,303 | 24,872 | 24 | 7 | 5 | 257 | 38 | 33 | 36 | |
| 1951 ^x | 1,399 | 25,912 | 20 | 8 | 8 | 269 | 35 | 31 | 41 | |
| 1951 | | | | | | | | | | |
| Jan. .. | 136 | 2,323 | - | 2 | 2 | 33 | 4 | 4 | 6 | |
| Feb. .. | 134 | 2,097 | 1 | 1 | 1 | 21 | 3 | 5 | 2 | |
| Mar. .. | 132 | 2,268 | 2 | - | - | 25 | 4 | 3 | 3 | |
| Apr. .. | 124 | 2,346 | - | - | - | 20 | 5 | 2 | 3 | |
| May ... | 97 | 1,784 | 1 | - | - | 22 | 2 | 2 | 1 | |
| June .. | 100 | 1,666 | 3 | - | - | 16 | 3 | 2 | 2 | |
| July .. | 107 | 2,398 | 2 | - | - | 16 | 1 | 2 | 4 | |
| Aug. .. | 118 | 2,409 | 1 | 1 | - | 22 | 3 | 1 | 5 | |
| Sept. . | 87 | 1,662 | 1 | - | - | 18 | 1 | 2 | 2 | |
| Oct. .. | 129 | 2,380 | 2 | 3 | 1 | 27 | 4 | 2 | 8 | |
| Nov. .. | 142 | 3,154 | 4 | 1 | 2 | 31 | 2 | 5 | 3 | |
| Dec. .. | 93 | 1,425 | 3 | - | 2 | 18 | 3 | 1 | 2 | |
| 1952 | | | | | | | | | | |
| Jan. .. | 143 | 2,346 | 6 | - | 2 | 27 | 4 | 2 | 6 | |
| Feb. .. | 137 | 2,089 | 4 | - | 1 | 24 | 1 | 4 | 4 | |
| Mar. .. | 124 | 1,672 | 2 | - | - | 23 | 2 | 5 | 2 | |
| | | Manufactures | Con- | Trans- | Trade | | | Fin- | Ser- | Not |
| | | Iron and | struc- | porta- | Total | General | Grocery | Clothing | ance | vice |
| | | Steel | tion | tion | | Stores | Stores | Stores | | Class- |
| | | | | | | | | | | ified |
| 1949 ^x | 15 | 94 | 46 | 374 | 45 | 47 | 40 | 19 | 203 | 70 |
| 1950 ^x | 12 | 97 | 40 | 502 | 45 | 60 | 67 | 20 | 273 | 78 |
| 1951 ^x | 16 | 126 | 42 | 570 | 56 | 65 | 75 | 27 | 255 | 74 |
| 1951 | | | | | | | | | | |
| Jan. .. | 2 | 13 | 2 | 61 | 6 | 4 | 10 | 1 | 20 | 2 |
| Feb. .. | 1 | 10 | 3 | 55 | 4 | 4 | 6 | 1 | 36 | 5 |
| Mar. .. | 1 | 16 | 5 | 52 | 5 | 8 | 12 | 4 | 21 | 7 |
| Apr. .. | 1 | 10 | 5 | 56 | 6 | 7 | 6 | 1 | 27 | 5 |
| May ... | 3 | 7 | 4 | 42 | 5 | 5 | 6 | - | 14 | 7 |
| June .. | - | 11 | 3 | 37 | 6 | 5 | 4 | 4 | 20 | 6 |
| July .. | 1 | 9 | 6 | 50 | 6 | 12 | 7 | 3 | 18 | 3 |
| Aug. .. | 1 | 12 | 2 | 53 | 3 | 4 | 6 | 1 | 19 | 7 |
| Sept. . | 1 | 6 | 2 | 29 | 3 | 5 | 4 | 4 | 17 | 10 |
| Oct. .. | 1 | 14 | 4 | 46 | 3 | 4 | 5 | 3 | 24 | 5 |
| Nov. .. | 3 | 9 | 4 | 53 | 4 | 4 | 7 | 3 | 25 | 10 |
| Dec. .. | 1 | 9 | 2 | 36 | 5 | 3 | 2 | 2 | 14 | 7 |
| 1952 | | | | | | | | | | |
| Jan. .. | 1 | 11 | 6 | 57 | 4 | 6 | 5 | 2 | 26 | 6 |
| Feb. .. | 1 | 9 | 5 | 52 | 5 | 5 | 6 | 4 | 34 | 4 |
| Mar. .. | - | 6 | 2 | 58 | 5 | 5 | 7 | 3 | 25 | 5 |

Note: As of July, 1950, proposals are not included.

^x Annual totals

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS
FOR THE FIRST QUARTER 1952, WITH COMPARISONS

| | Atlantic Provinces | Quebec | Ontario | Prairies | British Columbia | Total for First Quarter | | |
|--------------------------|-----------------------|--------|---------|----------|---------------------|----------------------------|------|------|
| | | | | | | 1952 | 1951 | 1950 |
| TRADE | | | | | | | | |
| General Stores | 2 | 11 | - | - | 1 | 14 | 15 | 10 |
| Grocery | 3 | 11 | 2 | - | - | 16 | 16 | 18 |
| Confectionery | - | 7 | 1 | - | - | 8 | 13 | 6 |
| Drink and Tobacco | - | 3 | - | - | - | 3 | 3 | - |
| Fish and Meat | 1 | 9 | 1 | - | - | 11 | 11 | 15 |
| Boots and Shoes | - | 4 | - | - | - | 4 | 6 | 11 |
| Dry Goods | - | 7 | 1 | - | - | 8 | 6 | 11 |
| Clothing | 1 | 10 | 6 | 1 | - | 18 | 28 | 23 |
| Furniture | - | 5 | 1 | - | - | 6 | 11 | 4 |
| Books and Stationery .. | - | 3 | - | - | - | 3 | 6 | 3 |
| Automobile | - | 7 | 3 | 1 | 2 | 13 | 5 | 3 |
| Hardware | - | 4 | 2 | - | - | 6 | 7 | 5 |
| Electric Apparatus | - | 12 | 2 | - | - | 14 | 8 | 5 |
| Jewelry | - | 3 | 1 | - | - | 4 | 7 | 9 |
| Coal and Wood | - | 5 | 2 | - | - | 7 | 4 | 7 |
| Drugs and Chemicals ... | - | 6 | - | - | 1 | 7 | 2 | 3 |
| Miscellaneous | 2 | 16 | 7 | - | - | 25 | 20 | 16 |
| Total Trade | 9 | 123 | 29 | 2 | 4 | 167 | 168 | 149 |
| MANUFACTURES | | | | | | | | |
| Vegetable Foods | 1 | 4 | 1 | 1 | - | 7 | 11 | 12 |
| Drink and Tobacco | - | - | - | - | - | - | 1 | - |
| Animal Foods | - | 3 | 1 | - | - | 4 | 6 | 8 |
| Fur and Leather | - | 8 | 1 | 2 | - | 11 | 12 | 13 |
| Pulp and Paper | - | 2 | - | - | - | 2 | 6 | 5 |
| Textiles | - | 5 | - | - | - | 5 | 13 | 12 |
| Clothing | - | 8 | 2 | 1 | - | 11 | 8 | 5 |
| Lumber and Manufactures | 1 | 9 | 2 | - | - | 12 | 11 | 10 |
| Iron and Steel | - | 1 | - | - | 1 | 2 | 4 | 3 |
| Non-ferrous Metals | - | 1 | - | - | - | 1 | 1 | 3 |
| Non-metallic Minerals .. | - | 2 | - | - | - | 2 | - | 1 |
| Drugs and Chemicals ... | - | 1 | - | - | - | 1 | - | 1 |
| Miscellaneous | - | 11 | 5 | - | - | 16 | 6 | 8 |
| Total Manufactures | 2 | 55 | 12 | 4 | 1 | 74 | 79 | 81 |
| SERVICE | | | | | | | | |
| Garage | 1 | 12 | - | - | 3 | 16 | 14 | 11 |
| Other custom and repair | - | 11 | 2 | - | 1 | 14 | 9 | 17 |
| Personal Service | - | 16 | 2 | - | 1 | 19 | 10 | 26 |
| Restaurants | 1 | 10 | 1 | 2 | 1 | 15 | 20 | 21 |
| Professional Service .. | - | 7 | - | - | - | 7 | 11 | 6 |
| Recreational Service .. | - | 5 | 1 | - | - | 6 | 1 | 2 |
| Business Service | - | 7 | 1 | - | - | 8 | 12 | 6 |
| Total Service | 2 | 68 | 7 | 2 | 6 | 85 | 77 | 89 |

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR THE FIRST QUARTER, 1952, WITH COMPARISONS - Concluded

| | Atlantic Provinces | Quebec | Ontario | Prairies | British Columbia | Total for First Quarter | | |
|--|-----------------------|--------|---------|----------|---------------------|----------------------------|------|------|
| | | | | | | 1952 | 1951 | 1950 |
| OTHER | | | | | | | | |
| Agriculture | - | 10 | 2 | - | - | 12 | 3 | 4 |
| Logging, Fish & Trapping | - | - | - | - | - | - | 3 | 2 |
| Mining | 1 | 1 | - | - | 1 | 3 | 3 | 4 |
| Construction | 1 | 16 | 8 | 1 | - | 26 | 39 | 26 |
| Transportation and Public Utilities | - | 10 | 2 | - | 1 | 13 | 10 | 8 |
| Finance | - | 7 | 1 | - | 1 | 9 | 6 | 5 |
| Not Classified | 1 | 8 | 5 | - | 1 | 15 | 14 | 14 |
| Total Other | 3 | 52 | 18 | 1 | 4 | 78 | 75 | 63 |
| GRAND TOTAL | 16 | 298 | 66 | 9 | 15 | 404 | 402 | 382 |

TABLE 3. WAGE-EARNER FAILURES, FIRST QUARTER, 1952, WITH COMPARISON^x

| | Atlantic Provinces | Quebec | Ontario | Prai- ries | British Columbia | T o t a l | |
|----------------|-----------------------|--------|---------|---------------|---------------------|------------------------|------------------------|
| | | | | | | First Quarter, 1952 | First Quarter, 1951 |
| Trade | 1 | 12 | - | - | - | 13 | 8 |
| Manufactures - | - | 4 | - | - | - | 4 | 4 |
| Service - | - | 16 | - | - | 1 | 17 | 20 |
| Other | - | 12 | - | - | - | 12 | 10 |
| Total 1 | 1 | 44 | - | - | 1 | 46 | 42 |

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, FIRST QUARTER, 1952, WITH COMPARISONS

| | Nfld. | P.E.I. | N.S. | N.B. | Que. | Ont. | Man. | Sask. | Alta. | B.C. | Total |
|--------------------|-------|--------|------|------|------|------|------|-------|-------|------|-------|
| January | - | - | 7 | 3 | 102 | 23 | 1 | 2 | 1 | 4 | 143 |
| February | 3 | - | 1 | - | 99 | 23 | 2 | - | 1 | 8 | 137 |
| March | - | - | 1 | 1 | 97 | 20 | 2 | - | - | 3 | 124 |
| First Quarter 1952 | 3 | - | 9 | 4 | 298 | 66 | 5 | 2 | 2 | 15 | 404 |
| 1951 | 2 | - | 5 | 6 | 299 | 62 | 9 | 1 | 3 | 15 | 402 |
| 1950 | - | - | 3 | 5 | 308 | 45 | - | - | 4 | 17 | 382 |

TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED
ASSETS AND LIABILITIES, FIRST QUARTER OF 1952, WITH COMPARISONS

| | Number of Bankruptcies | Estimated Grand Total Assets | Estimated Grand Total Liabilities |
|----------------------------|------------------------------|------------------------------------|---|
| | | \$ | \$ |
| Newfoundland | 3 | 11,115 | 23,932 |
| Prince Edward Island | - | - | - |
| Nova Scotia | 9 | 128,012 | 245,267 |
| New Brunswick | 4 | 11,615 | 15,469 |
| Quebec | 298 | 2,927,392 | 3,967,124 |
| Ontario | 66 | 763,521 | 1,381,056 |
| Manitoba | 5 | 95,962 | 137,918 |
| Saskatchewan | 2 | 16,068 | 13,301 |
| Alberta | 2 | - | 23,195 |
| British Columbia | 15 | 135,339 | 299,612 |
| Comparative Total for the | | | |
| First Quarter - 1952 | 404 | 4,089,024 | 6,106,874 |
| 1951 | 402 | 4,269,893 | 6,688,412 |
| 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 |
|-----------------|-------|--------|------|------|------|------|------|-------|-------|------|-------|
| <u>1951</u> | | | | | | | | | | | |
| January | - | - | - | - | 12 | - | - | - | - | - | 12 |
| February | - | - | - | - | 20 | - | - | - | - | 1 | 21 |
| March | - | - | - | - | 17 | 1 | - | - | - | - | 18 |
| April | - | - | 1 | - | 9 | 2 | - | - | - | - | 12 |
| May | - | - | - | - | 15 | - | - | - | - | - | 15 |
| June | - | - | - | 2 | 18 | - | - | - | - | 2 | 22 |
| July | - | - | - | - | 12 | 1 | - | - | - | - | 13 |
| August | - | - | - | - | 15 | 1 | - | - | - | - | 16 |
| September | - | - | - | 1 | 14 | 2 | - | - | - | 1 | 18 |
| October | - | - | - | - | 20 | 1 | - | - | - | - | 21 |
| November | - | - | - | - | 5 | - | - | - | - | - | 5 |
| December | - | - | - | - | 3 | - | - | - | - | - | 3 |
| <u>1952</u> | | | | | | | | | | | |
| January | - | - | - | - | 20 | - | - | - | - | - | 20 |
| February | - | - | - | - | 23 | 2 | - | - | - | - | 25 |
| March | - | - | - | - | 20 | - | - | - | - | - | 20 |



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COMMERCIAL FAILURES

