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COMMERCIAL FAILURES

Historical File Copy UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

THIRD QUARTER, 1952

During the third quarter of 1952, 305 failures were registered under the provisions of the Bankruptcy and Winding Up Acts, 7 fewer than the 312 recorded for the corresponding period last year. The estimated total amount of liabilities was \$6,763 thousand, an increase of more than 4% over the third quarter of 1951.

There was a total of 1169 failures during the first nine months of 1952 representing an advance of over 13% over the 1030 recorded for the same period last year. The upward trend in bankruptcies observable since the end of the last war has thus continued in 1952. Total estimated liabilities for the nine months were \$22,015 thousand, 16% above the corresponding total for 1951. The average liability per failure during the first three quarters was \$18,832 somewhat higher than the average of \$18,401 shown last year.

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 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 submitted is shown so as to give an indication of the trend.

Failures by Industries.

There were 451 insolvencies of trading establishments during the first nine months of 1952, as compared with 435 for the same period last year. In the same comparison, failures of manufacturing enterprises rose from 193 to 236 and defaults of service businesses from 192 to 210. Failures in the construction industry, however, declined from 94 to 86.

Failures by Economic Areas.

There were 894 bankruptcies in the Province of Quebec during the nine-month period, an advance of more than 17% over 1951. The number of failures in Ontario rose by nearly 13% in the nine months comparison, from 157 to 177. Bankruptcies in the Atlantic Provinces showed little change, and failures in the Prairie Provinces decreased from 33 to 22. In British Columbia, 43 bankruptcies were recorded during the first nine months, the same number as in the corresponding period of 1951.

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		Agri- cul- ture	Logging Fishing Trapping	Min- ing	Manufactures				
	Number	Liabilities in Thousand Dollars				Total	Vegetable Foods	Fur and Leather	Lumber & Manu- 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										
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. ..	154	2,455	6	-	2	30	4	2	6	
Feb. ..	158	2,761	5	-	1	30	3	4	4	
Mar. ..	158	2,063	3	-	-	31	2	5	2	
Apr. ..	127	2,266	2	-	1	26	3	2	4	
May ..	162	3,327	4	-	2	33	4	4	2	
June ..	105	2,381	3	-	-	24	4	1	3	
July ..	91	1,903	2	2	-	16	1	-	2	
Aug. ..	109	2,138	3	-	-	23	2	-	5	
Sept. ...	105	2,721	3	-	-	23	2	2	1	
	Manufactures	Con- struc- tion	Trans- porta- tion	Trade				Fin- ance	Ser- vice	Not Class- ified
	Iron and Steel			Total Stores	Grocery Stores	Clothing Stores				
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										
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	12	6	60	4	6	5	3	26	9
Feb. ...	1	9	5	60	5	5	6	5	34	9
Mar. ...	-	12	4	66	5	7	8	4	26	12
Apr. ...	3	11	3	46	6	4	3	2	23	13
May	4	14	4	61	6	4	8	4	25	15
June ...	2	7	2	45	3	7	5	4	16	4
July ...	1	6	2	37	3	3	5	1	19	6
Aug. ...	2	9	4	34	3	4	3	3	21	12
Sept. ..	-	6	3	42	4	5	6	1	20	7

x Annual totals.

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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1952	1951	1950
TRADE								
General Stores		9	1	-	-	10	12	8
Grocery		7	5	-	-	12	21	11
Confectionery		7	-	-	-	7	5	8
Drink and Tobacco		4	1	-	-	5	2	-
Fish and Meat		8	2	-	-	10	15	8
Boots and Shoes		2	-	-	-	2	5	1
Dry Goods		7	1	-	-	8	3	3
Clothing		12	1	-	1	14	17	16
Furniture		3	1	-	-	4	6	4
Books and Stationery ..		3	-	-	-	3	5	1
Automobile	1	3	-	-	-	4	4	2
Hardware		1	2	-	-	3	4	3
Electric Apparatus		2	-	-	-	2	5	3
Jewelry		1	1	-	-	2	5	1
Coal and Wood		3	-	-	-	3	3	2
Drugs and Chemicals ...		1	1	-	-	2	2	2
Miscellaneous		13	7	-	2	22	18	20
Total Trade	1	86	23	-	3	113	132	93
MANUFACTURES								
Vegetable Foods		5	-	-	-	5	5	6
Drink and Tobacco		-	-	-	-	-	-	-
Animal Foods		3	-	-	-	3	1	2
Fur and Leather		2	-	-	-	2	5	3
Pulp and Paper		4	4	-	-	8	2	4
Textiles		7	-	-	-	7	2	4
Clothing		8	1	-	-	9	10	7
Lumber and Manufactures		7	1	-	-	8	11	7
Iron and Steel		3	-	-	-	3	3	-
Non-ferrous Metals		2	3	-	-	5	-	1
Non-metallic Minerals .		2	-	-	-	2	2	1
Drugs and Chemicals ...		3	-	-	-	3	1	1
Miscellaneous		7	-	-	-	7	14	9
Total Manufactures		53	9	-	-	62	56	45
SERVICE								
Garage	1	5	3	3	1	13	7	10
Other custom and repair		8	2	-	-	10	8	8
Personal Service		12	3	-	-	15	11	12
Restaurants		10	1	-	-	11	16	13
Professional Service...		4	-	-	-	4	1	6
Recreational Service...		2	1	-	-	3	4	2
Business Service		4	-	-	-	4	7	6
Total Service	1	45	10	3	1	60	54	57

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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1952	1951	1950
OTHER								
Agriculture	-	8	-	-	-	8	3	5
Logging, Fish & Trapping	-	1	-	-	1	2	1	-
Mining	-	-	-	-	-	-	-	-
Construction	-	15	3	1	2	21	27	20
Transportation and Public Utilities	-	9	-	-	-	9	10	8
Finance	-	5	-	-	-	5	6	5
Not Classified ..	1	21	2	-	1	25	23	15
Total Other	1	59	5	1	4	70	70	53
GRAND TOTAL	3	243	47	4	8	305	312	248

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

	Atlantic Provinces	Quebec	Ontario	Prai- ries	British Columbia	Total	
						Third Quarter, 1952	Third Quarter, 1951
Trade	-	10	1	-	1	12	9
Manufactures	-	2	-	-	-	2	4
Service	-	9	2	-	-	11	12
Other	-	6	1	-	-	7	10
Total	-	27	4	-	1	32	35

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

x

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, NINE MONTHS, 1952 WITH COMPARISONS

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	7	3	112	24	1	2	1	4	154
February	3	-	1	-	118	23	2	-	1	10	158
March	-	-	1	1	123	24	2	-	-	7	158
April	1	-	-	2	100	22	-	1	-	1	127
May	1	-	5	3	120	22	-	-	2	9	162
June	-	-	2	-	78	15	2	1	3	4	105
July	-	-	-	1	65	22	-	-	1	2	91
August	1	-	-	1	91	10	1	-	-	5	109
September	-	-	-	-	87	15	1	1	-	1	105
Nine Months' Total											
1952	6	-	16	11	894	177	9	5	8	43	1,169
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 1952, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Newfoundland	1	-	-
Prince Edward Island	-	-	-
Nova Scotia	-	-	-
New Brunswick	2	57,904	61,878
Quebec	243	3,338,507	4,526,049
Ontario	47	744,345	1,596,312
Manitoba	2	11,832	17,135
Saskatchewan	1	-	56,150
Alberta	1	-	26,186
British Columbia	8	119,617	478,886
Comparative Total for the Third Quarter - 1952	305	4,272,205	6,762,596
1951	312	4,489,901	6,469,772
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
<u>1951</u>											
Apr. ..	-	-	1	-	9	2	-	-	-	-	12
May ...	-	-	-	-	15	-	-	-	-	-	15
June ..	-	-	-	2	18	-	-	-	-	2	22
July ..	-	-	-	-	12	1	-	-	-	-	13
Aug. ..	-	-	-	-	15	1	-	-	-	-	16
Sept. .	-	-	-	1	14	2	-	-	-	1	18
Oct. ..	-	-	-	-	20	1	-	-	-	-	21
Nov. ..	-	-	-	-	5	-	-	-	-	-	5
Dec. ..	-	-	-	-	3	-	-	-	-	-	3
<u>1952</u>											
Jan. ..	-	-	-	-	13	1	-	-	-	-	14
Feb. ..	-	-	-	-	25	2	-	-	-	-	27
Mar. ..	-	-	-	-	22	2	-	-	-	-	24
Apr. ..	-	-	-	-	11	3	-	-	-	-	14
May ...	-	-	-	1	15	2	-	-	-	-	18
June ..	-	-	-	-	8	1	-	-	-	1	10
July ..	-	-	-	-	8	1	-	-	-	-	9
Aug. ..	-	-	-	-	19	1	-	-	-	-	20
Sept. .	-	-	-	-	15	1	-	-	-	1	17

COMMERCIAL FAILURES IN CANADA BY QUARTERS

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