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COMMERCIAL FAILURESUNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTSFOURTH QUARTER AND YEAR, 1952

During 1952 the total number of failures under the provisions of the Bankruptcy and Winding Up Acts rose to 1,509, or nearly 8 percent higher than the 1951 total of 1,399. The 1952 figure was the highest recorded since 1934. The estimated total of liabilities was \$29,658,000, over 14 percent greater than in 1951. Following the low levels of the war period, the annual number of bankruptcies in Canada has increased steadily since 1946, but is still well below the totals recorded in the early 1930's. The yearly total of defaulted liabilities has followed a similar trend. The average liability per failure was slightly higher in 1952 than during the previous 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 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 10 of this report the number of proposals is shown so as to give a general impression of the trend.

Failures by Industries

As in the past, the greatest number of failures occurred in the trade sector, where there were 569 insolvencies as compared with 570 in 1951. Bankruptcies of groceries and general stores declined moderately, as did failures of clothing stores. Insolvencies of manufacturing establishments, however, rose from 269 in the previous year to 305. Defaults of service establishments numbered 279, as compared with 255 in 1951. Bankruptcies of "Other" establishments also recorded a marked advance.

Failures by Economic Areas

Insolvencies in Quebec rose by over 14 percent from 1,022 in 1951 to 1,167 last year. Failures in most other provinces showed declines in the same comparison, with the Ontario total dropping from 227 to 220, and failures in British Columbia falling off from 64 to 48. There were 34 bankruptcies in the Prairie region as compared with 42 in 1951. Similarly the number of failures in the Atlantic area decreased from 44 to 40.

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.

2103-502

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TABLE 1. - NUMBER OF COMMERCIAL FAILURES IN CANADA

1923 - 1952

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1923	387	355	368	324	291	271	149	242	320	200	259	242	3,408
1924	291	260	223	180	179	147	155	129	153	184	219	199	2,319
1925	270	162	198	162	160	145	131	134	151	142	163	177	1,995
1926	186	144	136	131	124	145	140	121	132	178	165	171	1,773
1927	192	143	164	130	131	138	121	147	128	184	187	176	1,841
1928	197	188	164	138	148	133	139	142	165	200	193	230	2,037
1929	269	197	180	174	185	148	149	137	151	176	176	224	2,166
1930	261	205	201	194	166	178	169	159	192	216	222	239	2,402
1931	240	188	178	175	163	165	152	155	165	226	213	196	2,216
1932	238	221	208	190	204	179	175	188	193	199	229	196	2,420
1933	216	214	192	184	175	158	142	150	155	144	155	159	2,044
1934	153	140	140	141	132	115	122	103	113	130	119	124	1,532
1935	107	130	124	107	101	109	110	94	98	115	107	112	1,314
1936	104	131	103	100	91	100	104	87	88	94	94	102	1,198
1937	82	92	85	83	95	101	91	96	102	105	94	100	1,126
1938	104	107	107	85	97	107	81	91	108	99	132	101	1,219
1939	127	130	114	126	111	109	117	119	107	121	100	111	1,392
1940	124	107	100	108	110	102	105	86	65	70	99	97	1,173
1941	102	100	92	94	83	84	72	78	67	71	86	79	1,008
1942	84	76	67	65	53	54	58	56	49	59	67	49	737
1943	40	39	51	45	27	36	36	35	31	28	27	26	421
1944	36	28	30	21	23	17	16	19	22	23	32	10	277
1945	35	34	14	23	19	22	22	15	18	26	31	13	272
1946	20	14	20	21	18	20	25	14	25	36	30	35	278
1947	33	41	46	54	47	45	45	37	54	53	42	48	545
1948	65	63	75	78	74	70	46	59	76	65	74	68	813
1949	97	93	80	76	89	65	70	78	91	97	116	114	1,066
1950	117	132	133	121	103	114	78	85	86	111	137	86	1,303
1951	136	134	132	124	97	100	107	118	87	129	142	93	1,399
1952	154	158	158	127	162	105	91	109	100	126	111	108	1,509
<u>Proposals</u>													
1950							13	16	7	8	20	15	79
1951	12	21	18	12	15	22	13	16	18	21	5	3	176
1952	14	27	24	14	18	10	9	20	17	16	12	10	191

TABLE 2. - DEFALTED LIABILITIES OF COMMERCIAL FAILURES IN CANADA

1923 - 1952

\$'000

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1923	5,436	6,556	7,683	6,555	3,188	5,862	2,682	3,944	4,667	(-)	15,045	(-)	61,618
1924	4,174	5,883	4,276	4,447	4,333	5,977	2,687	2,949	3,707	3,399	2,988	3,285	48,105
1925	2,363	2,690	3,946	2,762	3,375	2,649	2,001	2,256	2,319	3,109	2,384	2,300	32,154
1926	2,689	2,836	1,716	2,880	2,065	2,313	2,352	2,455	2,710	3,189	4,164	2,922	32,291
1927	2,626	2,084	2,200	2,280	2,236	2,438	2,035	2,372	2,853	3,095	3,248	3,088	30,555
1928	2,884	2,378	2,193	2,270	2,288	2,234	2,218	2,254	2,167	3,413	3,978	4,178	32,455
1929	4,467	5,716	2,960	2,523	2,403	2,957	2,139	1,744	5,433	2,050	2,775	3,581	38,748
1930	8,661	4,121	4,310	5,025	2,601	2,406	2,540	4,903	2,081	4,017	3,296	4,203	48,164
1931	3,971	4,790	3,184	3,081	3,210	4,613	2,511	2,351	5,167	12,378	4,336	2,957	52,553
1932	4,061	3,651	3,399	9,166	3,148	3,794	2,987	2,825	2,980	3,439	4,343	7,836	51,629
1933	4,050	3,947	3,381	3,022	2,617	2,339	2,289	2,358	2,345	2,322	1,940	2,345	32,954
1934	2,009	2,039	2,057	2,009	2,482	2,421	1,808	1,361	1,628	2,142	2,040	1,602	23,598
1935	1,502	1,190	968	1,685	1,295	1,879	1,638	1,255	1,565	1,799	1,501	1,291	17,567
1936	1,558	1,524	1,402	1,454	1,146	1,428	1,327	1,135	994	929	1,078	1,171	15,145
1937	936	1,150	1,051	816	1,360	1,413	1,050	1,082	1,251	1,404	1,352	1,438	14,303
1938	1,144	1,054	1,159	1,073	1,120	1,267	907	1,099	1,293	1,097	1,472	1,333	14,017
1939	1,366	1,121	1,105	1,465	1,308	1,417	1,371	1,154	1,265	1,515	931	1,072	15,089
1940	1,360	884	1,292	1,191	925	907	903	650	532	492	826	701	10,663
1941	806	853	844	1,161	839	740	716	675	541	549	586	823	9,134
1942	841	569	625	481	349	376	293	343	313	1,018	406	403	6,019
1943	460	1,144	683	456	264	403	556	331	397	253	210	184	5,340
1944	300	219	667	297	222	238	183	312	302	438	640	227	4,044
1945	636	536	221	207	85	106	189	238	266	477	668	367	3,995
1946	971	189	307	290	263	490	494	454	804	614	498	590	5,967
1947	336	565	531	1,365	814	923	790	707	1,100	1,415	540	992	10,078
1948	944	1,027	1,435	1,623	1,109	985	1,095	1,641	1,405	1,128	1,980	1,352	15,724
1949	1,848	1,477	870	1,617	2,096	817	2,146	1,858	2,414	1,575	2,545	2,092	21,356
1950	2,038	2,165	2,104	2,363	2,071	1,700	2,029	1,956	1,813	2,172	2,504	1,957	24,872
1951	2,323	2,097	2,268	2,346	1,784	1,666	2,398	2,409	1,662	2,380	3,154	1,425	25,912
1952	2,455	2,767	2,063	2,266	3,737	2,381	1,903	2,138	2,721	2,452	2,202	2,573	29,658

TABLE 3. NUMBER OF COMMERCIAL FAILURES BY PROVINCES

1923 - 1952

Year	New- found- land	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	CANADA
1923		16	155	67	1,181	970	258	280	323	158	3,408
1924		3	69	67	907	835	100	131	150	57	2,319
1925		4	71	67	758	720	85	77	139	74	1,995
1926		4	63	74	654	655	84	68	113	58	1,773
1927		4	66	74	658	681	97	54	135	72	1,841
1928		4	90	56	767	758	103	63	126	70	2,037
1929		1	71	61	927	761	91	84	101	69	2,166
1930		3	61	45	1,011	776	113	146	152	95	2,402
1931		7	51	74	795	793	109	152	131	104	2,216
1932		9	62	80	968	889	86	91	131	104	2,420
1933		10	55	42	935	730	67	59	88	58	2,044
1934		8	42	38	779	474	56	36	42	57	1,532
1935		4	28	37	632	390	46	66	83	28	1,314
1936		6	29	15	589	384	33	57	48	37	1,198
1937		-	23	23	623	335	23	34	25	40	1,126
1938		4	35	31	588	391	67	56	20	27	1,219
1939		3	38	45	669	403	74	67	37	56	1,392
1940		3	26	12	622	362	36	46	31	35	1,173
1941		4	17	7	587	279	23	45	25	21	1,008
1942		2	9	8	456	192	19	26	11	14	737
1943		-	3	3	343	50	3	7	2	10	421
1944		-	3	-	222	33	1	3	4	11	277
1945		1	3	1	225	27	3	-	4	8	272
1946		1	3	2	236	20	-	-	4	12	278
1947		2	6	7	422	72	4	2	6	24	545
1948		1	9	13	613	116	8	4	8	41	813
1949		3	4	12	827	131	16	5	13	55	1,066
1950	3	8	17	20	967	186	16	9	16	61	1,303
1951	5	3	12	24	1,022	227	15	13	14	64	1,399
1952	9	-	17	14	1,167	220	13	8	13	48	1,509

TABLE 5. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS
FOR THE FOURTH QUARTER AND YEAR 1952 WITH COMPARISONS

	THE FOURTH QUARTER							THE YEAR						
	Atlantic Provinces	Que.	Ont.	Prai- ries	B.C.	Total for 4th Quarter		Atlantic Provinces	Que.	Ont.	Prai- ries	B.C.	Total	
						1952	1951						1952	1951
<u>TRADE</u>														
General Stores	2	10	1	1	-	14	12	6	40	5	1	1	53	56
Grocery	-	9	2	-	-	11	11	4	38	13	1	-	56	65
Confectionery	-	5	-	-	-	5	5	-	27	1	-	-	28	27
Drink and Tobacco ..	-	2	-	-	-	2	3	-	18	2	-	-	20	10
Fish and Meat	-	6	1	-	-	7	9	2	31	5	-	-	38	44
Boots and Shoes	-	6	-	-	-	6	3	-	19	2	1	-	22	16
Dry Goods	-	4	-	-	-	4	7	-	25	2	-	-	27	24
Clothing	1	14	-	2	-	17	14	3	47	11	4	1	66	75
Furniture	-	6	-	1	-	7	5	1	20	2	1	-	24	28
Books and Stationery	-	3	-	-	-	3	6	-	16	1	-	-	17	20
Automobiles	-	6	1	-	-	7	5	1	17	5	1	2	26	16
Hardware	-	2	1	-	-	3	7	-	12	5	-	-	17	23
Electric Apparatus ..	-	5	1	1	-	7	10	-	27	3	1	-	31	27
Jewelry	-	2	2	-	1	5	5	1	14	8	-	1	24	27
Coal and Wood	-	1	-	-	-	1	6	-	13	2	-	-	15	21
Drugs and Chemicals ..	-	1	-	-	-	1	3	-	11	1	-	2	14	8
Miscellaneous	1	12	6	1	-	20	24	4	54	25	3	5	91	83
Total Trade	4	94	15	6	1	120	135	22	429	93	13	12	569	570
<u>MANUFACTURE</u>														
Vegetable Foods	-	6	-	-	-	6	9	1	27	1	2	-	31	35
Drink and Tobacco ..	-	-	-	-	-	-	1	-	2	-	-	-	2	2
Animal Foods	-	2	1	-	-	3	8	-	16	2	-	-	18	18
Fur and Leather	-	4	-	-	-	4	8	-	21	1	2	-	24	31
Pulp and Paper	1	6	-	-	-	7	4	1	18	5	-	-	24	16
Textiles	-	7	-	-	-	7	8	-	29	1	-	-	30	26
Clothing	-	11	2	1	1	15	9	-	39	7	2	1	49	39
Lumber & Manufactures ..	-	8	-	-	-	8	13	1	31	5	-	-	37	41
Iron and Steel	-	3	-	-	-	3	5	-	14	2	-	1	17	16
Non-ferrous Metals ..	-	1	-	-	-	1	2	-	7	3	1	-	11	5
Non-metallic Minerals ..	-	3	-	-	-	3	1	-	8	1	-	-	9	7
Drugs and Chemicals ..	-	2	1	-	-	3	-	-	8	1	-	-	9	2
Miscellaneous	-	9	-	-	-	9	8	-	36	8	-	-	44	31
Total Manufactures ..	1	62	4	1	1	69	76	3	256	37	7	2	305	269
<u>SERVICE</u>														
Garage	-	9	2	2	-	13	11	2	36	5	5	4	52	40
Other custom & repair ..	-	10	2	-	-	12	12	-	41	6	-	1	48	43
Personal Service ...	-	9	1	-	-	10	10	-	48	7	-	3	58	46
Restaurants	-	11	4	-	-	15	13	1	43	7	2	2	55	60
Professional Service ..	-	7	-	-	-	7	7	-	23	-	-	-	23	28
Recreational Service ..	-	5	1	-	-	6	3	1	14	3	-	-	18	10
Business Service	-	6	-	-	-	6	7	-	23	2	-	-	25	28
Total Service	-	57	10	2	-	69	63	4	228	30	7	10	279	255

TABLE 4. DEFALTED LIABILITIES BY PROVINCES

1923 - 1952
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TABLE 6. - COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS,
1951 and 1952

	Agri- cul- ture	Logging Fishing Trapping	Min- ing	Con- struc- tion	Trans- porta- tion	Fin- ance	Ser- vice	Not Class- ified	Total
<u>1951</u>									
January.....	-	2	2	13	2	1	20	2	136
February....	1	1	1	10	3	1	36	5	134
March.....	2	--	--	16	5	4	21	7	132
April.....	-	-	-	10	5	1	27	5	124
May.....	1	-	-	7	4	-	14	7	97
June.....	3	-	-	11	3	4	20	6	100
July.....	2	-	-	9	6	3	18	3	107
August.....	1	1	-	12	2	1	19	7	118
September...	1	-	-	6	2	4	17	10	87
October....	2	3	1	14	4	3	24	5	129
November....	4	1	2	9	4	3	25	10	142
December....	3	-	2	9	2	2	14	7	93
<u>1952</u>									
January....	6	-	2	12	6	3	26	9	154
February....	5	-	1	9	5	5	34	9	158
March.....	3	-	-	12	4	4	26	12	158
April.....	2	-	1	11	3	2	23	13	127
May.....	4	-	2	14	4	4	25	15	162
June.....	3	-	-	7	2	4	16	4	105
July.....	2	2	-	6	2	1	19	6	91
August.....	3	-	-	9	4	3	21	12	109
September...	3	-	-	6	3	1	20	5	100
October....	4	-	-	11	4	2	26	11	126
November....	4	-	-	8	5	2	23	8	111
December....	3	-	1	9	3	1	20	10	108

TABLE 7. COMMERCIAL FAILURES BY PROVINCES, 1952

	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.	-	-	-	-	82	15	1	1	-	1	100
October...	-	-	-	2	107	10	2	2	2	1	126
November..	-	-	-	1	87	18	-	1	3	1	111
December..	3	-	1	-	84	15	2	-	-	3	108

TABLE 5. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR
THE FOURTH QUARTER AND YEAR 1952, WITH COMPARISONS - Concluded

	THE FOURTH QUARTER								THE YEAR					
	Atlantic Provinces	Que.	Ont.	Prai- ries	B.C.	Total for 4th quarter		Atlantic Provinces	Que.	Ont.	Prai- ries	B.C.	Total	
						1952	1951						1952	1951
<u>OTHER</u>														
Agriculture	-	11	-	-	-	11	9	-	40	2	-	-	42	20
Mining	-	-	-	-	-	5	1	4	1	-	1	1	7	8
Logging, Fish & Trapping	-	-	-	-	-	4	-	1	-	-	1	1	2	8
Construction	1	19	6	2	-	28	32	5	70	29	5	5	114	126
Transportation and Public Utilities	-	9	2	1	1	13	10	-	29	10	2	4	45	42
Finance	-	5	-	-	-	5	8	-	26	3	-	3	32	27
Not Classified	1	21	6	-	2	30	22	5	84	15	-	10	114	74
Total Other	2	65	14	3	3	87	90	11	254	60	7	24	356	305
GRAND TOTAL	7	278	43	12	5	345	364	40	1,167	220	34	48	1,509	1,399

TABLE 6. COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1951 and 1952

	TRADE				MANUFACTURES				
	Total	General Stores	Grocery	Clothing	Total	Lumber & Manu-fac-tures	Fur and Leather	Iron and Steel	Vegetable Foods
<u>1951</u>									
January	61	6	4	10	33	6	4	2	4
February ...	55	4	4	6	21	2	5	1	3
March	52	5	8	12	25	3	3	1	4
April	56	6	7	6	20	3	2	1	5
May	42	5	5	6	22	1	2	3	2
June	37	6	5	4	16	2	2	-	3
July	50	6	12	7	16	4	2	1	1
August	53	3	4	6	22	5	1	1	3
September ..	29	3	5	4	18	2	2	1	1
October	46	3	4	5	27	8	2	1	4
November ...	53	4	4	7	31	3	5	3	2
December	36	5	3	2	18	2	1	1	3
<u>1952</u>									
January	60	4	6	5	30	6	2	1	4
February ...	60	5	5	6	30	4	4	1	3
March	66	5	7	8	31	2	5	-	2
April	46	6	4	3	26	4	2	3	3
May	61	6	4	8	33	2	4	4	4
June	45	3	7	5	24	3	1	2	4
July	37	3	3	5	16	2	-	1	1
August	34	3	4	3	23	5	-	2	2
September ..	39	4	5	6	23	1	2	-	2
October	43	5	2	5	25	2	3	2	3
November ...	39	5	3	7	22	2	-	-	1
December	39	4	6	5	22	4	1	1	2

TABLE 8. - COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED ASSETS AND LIABILITIES, FOURTH QUARTER OF 1952, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
Newfoundland	3	199,837	189,899
Prince Edward Island	-	-	-
Nova Scotia	1	-	-
New Brunswick	3	14,302	64,662
Quebec	278	3,988,222	5,482,618
Ontario	43	407,146	979,477
Manitoba	4	49,781	137,849
Saskatchewan	3	19,194	42,536
Alberta	5	17,459	48,878
British Columbia	5	188,154	281,622
Comparative Total for the Fourth Quarter - 1952	345	4,884,095	7,227,541
1951	364	4,977,665	6,958,368
1950	334	4,199,296	6,632,430
1949	327	4,277,036	6,211,948

TABLE 9. - WAGE-EARNER FAILURES, BY QUARTERS, 1952 WITH COMPARISONS

	Mari-times	Que.	Ont.	Prai-ries	British Columbia	Fourth Quarter	Third Quarter	Second Quarter	TOTAL First Quarter
Trade	-	12	-	-	-	12	12	15	13
Manufactures.	-	8	1	-	-	9	2	8	4
Service	-	9	-	-	1	10	11	16	17
Other	-	7	-	-	-	7	7	10	12
Fourth Quarter									
1952	-	36	1	-	1	38	32	49	46
The Year 1952	1	155	6	-	3				
The Year 1951	2	148	11	-	2				
The Year 1950	-	121	9	-	2				
The Year 1949	2	118	2	-	2				

TABLE 10. - PROPOSALS AS PER BANKRUPTCY ACT, PART 3.

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
<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
Oct.	-	-	-	-	15	-	-	-	-	1	16
Nov.	-	-	-	-	11	1	-	-	-	-	12
Dec.	-	-	-	-	10	-	-	-	-	-	10

