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COMMERCIAL FAILURESUNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTSSECOND QUARTER, 1953

During the second quarter of 1953, the total number of failures under the provisions of the Bankruptcy and Winding Up Acts was 351, as compared with 394 in the same period last year. This represented a decline of 11 per cent and followed a drop of 19 per cent in the first quarter comparison. Estimated liabilities involved amounted to \$8,717 thousand compared with \$8,384 thousand in the second quarter of 1952.

Failures in the first six months of 1953 numbered 733, more than 15 per cent less than the 864 recorded in the first half of the previous year. This represented the first reversal of the upward trend in half-year comparisons since 1946. Total estimated liabilities over the six-month period were \$15,868 thousand as compared with \$15,669 thousand in the same period last year, a small gain of 1 per cent. The average liability per failure was \$21,648, considerably higher than the average of \$18,134 in the first six months of 1952.

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

Bankruptcies of manufacturing establishments totalled 158 in the first half of 1953, an appreciable decline from 174 in the same period last year. Failures in the trade sector, where the greatest number of business mortalities usually occurs, dropped from 338 to 287 in the same comparison. Service insolvencies fell off to 125 as compared with 150, while failures in the construction field stood at 53 as compared with 65 in the first six months of 1952.

Failures by Economic Areas

The total number of bankruptcies in the province of Quebec, during the first six months of 1953, was 541, a decline of nearly 17 per cent from the 651 recorded in the same period of the previous year. Failures in Ontario dropped from 130 to 112. Insolvencies in the Atlantic Provinces declined from 30 to 15 in the same comparison. By contrast, failures in the four Western Provinces rose from 53 to 65.

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, 1952 and 1953

Total					Manufactures					
Number	Liabilities in Thousand Dollars	Agri- cul- ture	Logging Fishing Trapping	Min- ing	Total	Vege- table 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		
1952 ^x 1,509	29,658	42	2	7	305	31	24	37		
1952										
Apr... 127	2,266	2	-	1	26	3	2	4		
May .. 162	3,737	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.. 100	2,721	3	-	-	23	2	2	1		
Oct... 126	2,452	4	-	-	25	3	3	2		
Nov... 111	2,202	4	-	-	22	1	-	2		
Dec... 108	2,573	3	-	1	22	2	1	4		
1953										
Jan... 125	2,677	4	1	-	25	5	2	1		
Feb... 117	2,026	3	1	-	30	4	1	6		
Mar... 140	2,448	2	1	-	30	4	2	4		
Apr... 122	2,870	4	-	2	25	1	2	7		
May... 97	2,121	2	1	1	23	2	1	4		
June.. 132	3,726	2	-	-	25	3	2	2		
Manufactures										
Iron and Steel	Con- struction	Trans- portation	Trade				Not			
			Total	General Stores	Grocery Stores	Clothing Stores	Fin- ance	Ser- vice	Classi- fied	
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
1952 ^x	17	114	45	569	53	56	66	32	279	114
1952										
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	39	4	5	6	1	20	5	
Oct... 2	11	4	43	5	2	5	2	26	11	
Nov... -	8	5	39	5	3	7	2	23	8	
Dec... 1	9	3	39	4	6	5	1	20	10	
1953										
Jan... 2	7	3	55	6	9	3	1	19	10	
Feb... 2	10	6	40	4	5	5	2	15	10	
Mar... 1	8	5	51	6	4	6	4	26	13	
Apr... 2	8	8	44	2	4	8	2	24	5	
May... -	8	3	37	2	3	6	2	16	4	
June.. 1	12	4	60	5	4	9	1	25	3	

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 SECOND QUARTER 1953, WITH COMPARISONS**

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1953	1952	1951
TRADE								
General Stores ...	-	7	1	-	1	9	15	17
Grocery	-	8	3	-	-	11	15	17
Confectionery	-	2	-	-	-	2	7	4
Drink and Tobacco.	-	1	-	-	-	1	7	2
Fish and Meat.....	-	8	3	-	-	11	10	9
Boots and Shoes ..	-	3	-	-	-	3	7	2
Dry Goods	1	2	-	-	-	3	7	8
Clothing	-	13	5	1	4	23	16	16
Furniture	-	10	1	1	-	12	7	6
Books and Station- ery .	-	4	-	-	-	4	6	3
Automobile	1	2	-	1	-	4	2	2
Hardware	-	3	1	1	-	5	4	5
Electric Apparatus	-	5	5	-	-	10	8	4
Jewelry	-	8	3	1	-	12	11	10
Coal and Wood	-	3	-	-	-	3	1	8
Drugs and Chemicals	-	4	-	-	1	5	1	1
Miscellaneous	1	13	6	2	1	23	28	21
Total Trade	3	96	28	7	7	141	152	135
MANUFACTURES								
Vegetable Foods ..	-	4	1	1	-	6	11	10
Drink and Tobacco.	-	-	-	-	-	-	-	-
Animal Foods	-	2	-	-	-	2	4	3
Fur and Leather ..	-	3	2	-	-	5	7	6
Pulp and Paper ...	-	-	-	-	-	-	6	4
Textiles.....	-	16	-	-	-	16	8	3
Clothing	-	8	-	-	1	9	13	12
Lumber and Manu- factures.	-	10	1	-	2	13	9	6
Iron and Steel ...	-	2	1	-	-	3	9	4
Non-ferrous Metals	-	-	1	-	-	1	2	2
Non-metallic Minerals	-	1	-	-	-	1	2	4
Drugs and Chemicals	-	1	-	-	-	1	-	1
Miscellaneous	-	13	2	1	-	16	12	3
Total Manufactures ..	-	60	8	2	3	73	83	58
SERVICE								
Garage	1	9	3	-	-	13	10	9
Other custom and repair	-	8	2	-	-	10	12	13
Personal Service .	-	13	1	-	-	14	14	15
Restaurants	-	11	-	-	-	11	14	11
Professional Service	-	5	3	-	-	8	4	9
Recreational Service	-	5	1	-	-	6	3	2
Business Service..	-	2	1	-	-	3	7	2
Total Service	1	53	11	-	-	65	64	61

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCES AND BRANCHES OF BUSINESS FOR
THE SECOND QUARTER, 1953, WITH COMPARISONS - Concluded

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1953	1952	1951
OTHER								
Agriculture	-	6	2	-	-	8	9	4
Logging, Fish & Trapping .	-	1	-	-	-	1	-	-
Mining.....	-	1	1	1	-	3	3	-
Construction	2	18	8	-	-	28	32	28
Transportation and Public Utilities	-	10	1	4	-	15	9	12
Finance	-	4	-	1	-	5	10	5
Not Classified ..	1	5	4	1	1	12	32	18
Total Other	3	45	16	7	1	72	95	67
GRAND TOTAL	7	254	63	16	11	351	394	321

TABLE 3. WAGE-EARNER FAILURES, SECOND QUARTER, 1953, WITH COMPARISON ^x

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total Second Quarter		
						1953	1952	1951
Trade	-	15	2	-	-	17	15	9
Manufactures	-	6	-	-	-	6	8	4
Service	-	7	-	-	-	7	16	13
Other	-	10	-	-	-	10	10	8
Total	-	38	2	-	-	40	49	34

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, SECOND QUARTER, 1953, WITH COMPARISONS

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	2	-	96	18	1	1	1	6	125
February	1	-	1	1	88	19	1	1	-	5	117
March	2	-	1	-	103	12	2	2	8	10	140
April	-	-	1	1	91	18	2	1	3	5	122
May	-	-	1	1	73	15	4	1	1	1	97
June	-	-	2	1	90	30	-	4	-	5	132
Six Months Total, 1953	3	-	8	4	541	112	10	10	13	32	733
Six Months Total, 1952	5	-	16	9	651	130	7	4	7	35	864
Six Months Total, 1951	4	-	7	12	529	112	10	6	8	35	723

TABLE 5, COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED
ASSETS AND LIABILITIES, SECOND QUARTER OF 1953, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
Newfoundland	-	-	-
Prince Edward Island	-	-	-
Nova Scotia	4	112,476	233,062
New Brunswick	3	24,760	34,853
Quebec	254	3,236,532	5,372,516
Ontario	63	1,281,941	2,265,811
Manitoba	6	187,580	207,964
Saskatchewan	6	41,458	47,697
Alberta	4	127,329	139,028
British Columbia	11	431,700	415,932
Comparative Total for the Second Quarter -			
1953 ...	351	5,443,776	8,716,863
1952 ...	394	5,173,001	8,384,104
1951 ...	321	4,389,792	5,796,007
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
1952											
January...	-	-	-	-	13	1	-	-	-	-	14
February ..	-	-	-	-	25	2	-	-	-	-	27
March	-	-	-	-	22	2	-	-	-	-	24
April	-	-	-	-	11	3	-	-	-	-	14
May	-	-	-	1	15	2	-	-	-	-	18
June	-	-	-	-	8	1	-	-	-	1	10
July	-	-	-	-	8	1	-	-	-	-	9
August ...	-	-	-	-	19	1	-	-	-	-	20
September.	-	-	-	-	15	1	-	-	-	1	17
October ..	-	-	-	-	15	-	-	-	-	1	16
November .	-	-	-	-	11	1	-	-	-	-	12
December .	-	-	-	-	10	-	-	-	-	-	10
1953											
January ..	-	-	-	-	20	1	-	-	-	-	21
February..	-	-	-	-	17	1	-	-	-	-	18
March	-	-	-	-	12	-	-	-	-	-	12
April	-	-	-	-	9	1	-	-	-	1	11
May	-	-	-	-	10	1	-	-	-	-	11
June	-	-	-	-	22	-	-	-	-	-	22

COMMERCIAL FAILURES

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