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Historical File CopyCOMMERCIAL FAILURESUNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTSTHIRD QUARTER, 1953

During the third quarter of 1953, 394 failures were registered under the provisions of the Bankruptcy and Winding Up Acts, considerably more than the 300 recorded for the corresponding period last year. The estimated total amount of liabilities was \$8,075 thousand representing an increase of over 19 per cent over the third quarter of 1952.

Failures in the first nine months of 1953 numbered 1,127, a decline of about 3 per cent from the 1,164 recorded for the same period of 1952, as the upward trend in bankruptcies observable since the end of the last war was interrupted in the first six months of the present year. Total estimated liabilities for the nine months, however, were \$23,943 thousand, nearly 7 per cent above the corresponding total for 1952. The average liability per failure during the first three quarters was \$21,245, appreciably higher than the average of \$19,261 during the same period 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 454 insolvencies of trading establishments during the first nine months of 1953, showing little change from the 448 recorded during the same period of 1952. In the same comparison, failures of manufacturing enterprises were practically unchanged at 237 as compared with 236 last year. Defaults of service businesses declined from 210 in 1952 to 197, and failures in the construction industry rose slightly from 86 to 88.

Failures by Economic Areas.

There were 824 bankruptcies in Quebec during the nine-month period a decline of over 7 per cent from 1952. The number of failures in Ontario fell off slightly from 176 to 173 in the same comparison. Bankruptcies in the Atlantic Provinces dropped fairly sharply from 33 to 22. By contrast, failures in the Prairie Provinces rose steeply from 22 to 56. In British Columbia, 52 bankruptcies were recorded during the first nine months, compared with 43 during the same period last year.

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										
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	
July..	120	2,544	3	-	-	24	2	4	2	
Aug...	136	2,400	3	1	-	24	3	1	2	
Sept..	138	3,131	4	-	-	31	4	2	5	
Manufactures										
	Iron and Steel	Con- struc- tion	Trans- porta- tion	Total	General Stores	Grocery Stores	Clothing Stores	Fin- ance	Ser- vice	Not 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										
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
July..	1	11	1	53	8	5	7	1	22	5
Aug...	-	12	4	60	6	8	8	3	23	6
Sept..	2	12	1	54	2	5	6	2	27	7

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 THIRD QUARTER 1953, WITH COMPARISONS**

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1953	1952	1951
TRADE								
General Stores	-	12	2	-	2	16	10	12
Grocery	-	13	4	1	-	18	12	21
Confectionery	-	8	-	-	-	8	7	5
Drink and Tobacco	-	2	-	-	-	2	5	2
Fish and Meat	-	8	1	-	1	10	9	15
Boots and Shoes	-	5	-	-	-	5	2	5
Dry Goods	-	7	1	-	-	8	8	3
Clothing	1	13	3	-	4	21	14	17
Furniture	-	5	-	-	-	5	4	6
Books and Stationery .	-	4	1	-	-	5	3	5
Automobile	-	4	1	3	-	8	4	4
Hardware	-	5	-	-	-	5	3	4
Electric Apparatus ...	-	9	9	1	1	20	2	5
Jewelry	-	3	4	-	-	7	2	5
Coal and Wood	-	5	-	-	-	5	3	3
Drugs and Chemicals ..	-	3	-	2	1	6	2	2
Miscellaneous	1	10	3	2	2	18	20	18
Total Trade	2	116	29	9	11	167	110	132
MANUFACTURES								
Vegetable Foods	-	8	1	-	-	9	5	5
Drink and Tobacco ...	-	-	-	-	-	-	-	-
Animal Foods	-	4	-	1	-	5	3	1
Fur and Leather	-	5	1	1	-	7	2	5
Pulp and Paper	-	4	-	-	-	4	8	2
Textiles	-	11	-	-	-	11	7	2
Clothing	-	9	4	-	-	13	9	10
Lumber & Manufactures	-	7	-	2	-	9	8	11
Iron and Steel	-	-	3	-	-	3	3	3
Non-ferrous Metals ..	-	3	1	-	-	4	5	-
Non-metallic Minerals	-	2	-	-	-	2	2	2
Drugs and Chemicals .	-	1	1	-	-	2	3	1
Miscellaneous	-	9	-	1	-	10	7	14
Total Manufactures ...	-	63	11	5	-	79	62	56
SERVICE								
Garage	-	12	1	-	-	13	13	7
Other custom & repair	-	10	1	1	1	13	10	8
Personal Service	1	8	-	-	-	9	15	11
Restaurants	3	12	2	-	1	18	11	16
Professional Service	-	3	2	1	-	6	4	1
Recreational Service	-	2	1	-	1	4	3	4
Business Service	-	5	1	3	-	9	4	7
Total Service	4	52	8	5	3	72	60	54

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

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1953	1952	1951
<u>OTHER</u>								
Agriculture	-	8	2	-	-	10	8	3
Logging, Fish & Trapping ..	-	-	-	-	1	1	2	1
Mining	-	-	-	-	-	-	-	-
Construction	-	25	6	1	3	35	21	27
Transportation and Public Utilities	-	3	2	-	1	6	9	10
Finance	-	6	-	-	-	6	5	6
Not Classified ...	1	10	3	3	1	18	23	23
Total Other	1	52	13	4	6	76	68	70
GRAND TOTAL	7	283	61	23	20	394	300	312

TABLE 3. WAGE-EARNER FAILURES, THIRD QUARTER, 1953, WITH COMPARISON *

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Third Quarter		
						1953	1952	1951
Trade	-	13	1	-	-	14	12	9
Manufactures	-	3	-	-	-	3	2	4
Service	-	7	2	-	-	9	11	12
Other	-	10	2	-	-	12	17	10
Total	-	33	5	-	-	38	32	35

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, THIRD 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
July	-	-	-	1	86	19	1	2	4	7	120
August	-	1	1	1	95	20	4	1	5	8	136
September	-	-	-	3	102	22	3	2	1	5	138
Nine Months' Total - 1953	3	1	9	9	824	173	18	15	23	52	1,127
1952	6	-	16	11	890	176	9	5	8	43	1,164
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 1953, WITH COMPARISONS

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
		\$	\$
Newfoundland	-	-	-
Prince Edward Island	1	12,467	20,277
Nova Scotia	1	11,810	6,920
New Brunswick	5	132,155	131,368
Quebec	283	2,781,778	4,480,366
Ontario	61	1,309,289	2,322,558
Manitoba	8	134,736	286,342
Saskatchewan	5	28,304	25,391
Alberta	10	64,259	103,853
British Columbia	20	508,168	697,720
Comparative Total for the Third Quarter - 1953	394	4,982,966	8,074,795
1952	300	4,263,762	6,750,173
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
1952											
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
July	-	-	-	-	18	1	-	-	-	-	19
August ..	-	-	-	-	15	-	-	-	-	-	15
September	-	-	-	-	14	2	-	-	-	-	16

COMMERCIAL FAILURES IN CANADA

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