

61 002

DOMINION BUREAU OF STATISTICS

OTTAWA - CANADA

Published by Authority of the Rt. Hon. C. D. Howe, Minister of Trade and Commerce



Vol. 33 No. 2, Second Quarter, 1954.

Price: \$1.00 per Year, 25¢ per copy

DOMINION BUREAU
OF STATISTICS

SEP 9 1954

PROPERTY OF THE
LIBRARYCOMMERCIAL FAILURES

Historical File Copy

UNDER THE PROVISIONS OF THE BANKRUPTCY AND WINDING UP ACTS

During the second quarter of 1954, the total number of failures under the provisions of the Bankruptcy and Winding Up Acts, although showing the usual seasonal decline from the first quarter, rose sharply when compared with the second quarter of 1953. In the second quarter comparison, number of failures increased from 351 last year to 530 this year, or more than 50 per cent. Estimated liabilities involved amounted to \$15,-209,000 compared with \$8,717,000 in the first quarter last year, a gain of nearly 75 per cent. The average liability per failure rose from \$24,800 to \$28,700.

Failures in the first six months of 1954 numbered 1,210, about 65 per cent more than the 733 insolvencies recorded in the first half of last year. Total estimated liabilities over the six-months period were \$32,868,000, more than double the total for the first half of 1953.

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

The number of failures in all recorded industrial classifications showed increases in the half-year comparison. Bankruptcies of manufacturing establishments totalled 226 compared with 158 in 1953. Failures in the trade sector, where the greatest number of business mortalities usually occurs rose from 287 to 530 in the same comparison. Service insolvencies increased in number to 209 from 125 last year.

Failures by Economic Areas

Bankruptcies in the province of Quebec numbered 896 during the first six months of this year compared with 541 in the first half of 1953. Failures in Ontario rose from 112 to 192 and in the Atlantic Provinces from 15 to 24. Insolvencies in the four Western Provinces advanced from 65 to 98 in the same comparison.

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, Research and Development Division.

2103-502

1-9-54

TABLE 1 - COMMERCIAL FAILURES BY MONTHS AND BRANCHES OF BUSINESS, 1953 and 1954

	Total					Manufactures				
	Number	Liabilities	Agri- cul- ture	Logging Fishing Trapping	Min- ing	Total	Vege- table Foods	Fur and Leather	Lumber & Manu- factures	
		in Thousand Dollars								
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	
1953 ^x	1,657	32,818	37	6	10	359	41	29	45	
<u>1953</u>										
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	
Oct. ...	205	3,496	3	3	1	51	5	4	5	
Nov. ...	167	3,297	5	1	1	28	4	2	2	
Dec. ...	158	2,082	2	-	2	43	4	6	5	
<u>1954</u>										
Jan. ..	196	5,705	2	4	5	39	3	4	9	
Feb. ..	238	6,628	4	3	2	43	4	2	2	
Mar. ..	246	5,327	6	4	1	45	5	3	9	
Apr. ..	192	5,200	3	1	2	34	3	2	5	
May ..	146	4,852	5	-	-	33	3	4	4	
June ..	192	5,156	4	1	-	32	4	1	4	
<u>Manufactures</u>		<u>Con- Trans-</u>			<u>Trade</u>			<u>Not</u>		
	Iron and Steel	struc- tion	porta- tion	Total	General Stores	Grocery Stores	Clothing Stores	Fin- ance	Ser- vice	Classi- fied
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
1953 ^x	18	124	52	650	62	61	86	30	286	103
<u>1953</u>										
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
Oct. ...	5	13	5	76	11	7	7	3	31	19
Nov. ...	2	12	7	60	6	4	10	6	36	11
Dec. ...	-	11	5	60	4	3	11	3	22	10
<u>1954</u>										
Jan. ..	-	10	7	86	7	6	13	3	31	9
Feb. ..	3	14	6	104	11	8	8	6	42	14
Mar. ..	2	14	5	109	11	13	15	5	37	20
Apr. ..	2	8	6	88	10	10	8	4	37	9
May ..	3	9	7	61	9	6	6	1	25	5
June ..	3	12	8	82	7	6	11	3	37	13

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 1954, WITH COMPARISONS

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1954	1953	1952
TRADE								
General Stores ...	2	16	5	1	2	26	9	15
Grocery	-	16	3	1	2	22	11	15
Confectionery	-	12	2	-	-	14	2	7
Drink and Tobacco.	-	5	-	-	-	5	1	7
Fish and Meat	-	14	1	-	-	15	11	10
Boots and Shoes ..	-	7	-	-	-	7	3	7
Dry Goods	-	11	-	-	1	12	3	7
Clothing	-	17	5	3	-	25	23	16
Furniture	-	6	4	-	1	11	12	7
Books and Station- ery .	-	9	-	-	-	9	4	6
Automobile	-	8	4	-	1	13	4	2
Hardware	-	5	-	1	-	6	5	4
Electric Apparatus	-	10	2	1	-	13	10	8
Jewelry	-	3	2	-	-	5	12	11
Coal and Wood	-	6	-	-	-	6	3	1
Drugs and Chemicals	-	6	-	-	-	6	5	1
Miscellaneous	-	20	7	6	3	36	23	28
Total Trade	2	171	35	13	10	231	141	152
MANUFACTURES								
Vegetable Foods ..	-	10	-	-	-	10	6	11
Drink and Tobacco.	-	-	-	-	-	-	-	-
Animal Foods	-	8	1	-	-	9	2	4
Fur and Leather ..	-	6	1	-	-	7	5	7
Pulp and Paper ...	1	7	1	-	-	9	-	6
Textiles	-	10	1	-	-	11	16	8
Clothing	-	13	-	-	-	13	9	13
Lumber and Manu- factures.	1	11	1	-	-	13	13	9
Iron and Steel ...	-	5	3	-	-	8	3	9
Non-ferrous Metals	-	2	3	-	-	5	1	2
Non-metallic Minerals	-	3	-	-	-	3	1	2
Drugs and Chemicals	-	-	-	-	-	-	1	-
Miscellaneous	-	10	1	-	-	11	16	12
Total Manufactures ..	2	85	12	-	-	99	73	83
SERVICE								
Garage	-	13	4	-	-	17	13	10
Other custom and repair	-	15	9	-	1	25	10	12
Personal Service .	-	14	3	1	-	18	14	14
Restaurants	-	10	2	1	-	13	11	14
Professional Service	-	9	-	1	1	11	8	4
Recreational Service	-	5	-	-	-	5	6	3
Business Service..	-	8	-	2	-	10	3	7
Total Service	-	74	18	5	2	99	65	64

TABLE 2. COMMERCIAL FAILURES IN CANADA, BY PROVINCE AND BRANCHES OF BUSINESS FOR
THE SECOND QUARTER, 1954, WITH COMPARISONS - Concluded

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1954	1953	1952
<u>OTHER</u>								
Agriculture.....	1	10	1	-	-	12	8	9
Logging, Fishing and Trapping	-	1	1	-	-	2	1	-
Mining	-	2	-	-	-	2	3	3
Construction	-	17	8	2	2	29	28	32
Transportation and Public Utilities ...	-	13	5	1	2	21	15	9
Finance	-	7	1	-	-	8	5	10
Not Classified	4	11	7	3	2	27	12	32
Total Other	5	61	23	6	6	101	72	95
GRAND TOTAL	9	391	88	24	18	530	351	394

TABLE 3. WAGE-EARNER FAILURES, SECOND QUARTER, 1954, WITH COMPARISON^X

	Atlantic Provinces	Quebec	Ontario	Prairies	British Columbia	Total for Second Quarter		
						1954	1953	1952
Trade	-	24	2	-	-	26	17	15
Manufactures	-	13	1	-	-	14	6	8
Service	-	13	2	-	1	16	7	16
Other	-	6	2	-	-	8	10	10
Total	-	56	7	-	1	64	40	49

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

TABLE 4. COMMERCIAL FAILURES BY PROVINCES, SECOND QUARTER, 1954, WITH COMPARISONS

	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
January	-	-	3	3	143	25	4	4	4	10	196
February	-	-	2	1	182	40	1	-	6	6	238
March	1	-	3	2	180	39	2	4	4	11	246
April.....	-	1	2	2	140	31	2	2	4	8	192
May	-	1	1	-	109	24	4	2	3	2	146
June	-	-	2	-	142	33	1	3	3	8	192
Six Months' Total, 1954	1	2	13	8	896	192	14	15	24	45	1,210
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

**TABLE 5. COMMERCIAL FAILURES IN CANADA BY PROVINCES, SHOWING ESTIMATED
ASSETS AND LIABILITIES, SECOND QUARTER OF 1954, WITH COMPARISONS**

	Number of Bankruptcies	Estimated Grand Total Assets	Estimated Grand Total Liabilities
Newfoundland	-	-	-
Prince Edward Island	2	26,519	40,572
Nova Scotia	5	33,973	59,457
New Brunswick	2	24,319	37,252
Quebec	391	7,654,858	9,854,060
Ontario	88	2,136,046	3,019,976
Manitoba	7	141,123	300,543
Saskatchewan	7	161,674	228,080
Alberta	10	208,542	339,777
British Columbia	18	697,086	1,329,306
Comparative Total for the Second Quarter - 1954	530	11,084,140	15,209,023
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
<u>1953</u>											
January	-	-	-	-	16	-	-	-	-	-	16
February	-	-	-	-	16	-	1	-	-	-	17
March	-	-	-	-	10	1	-	-	1	-	12
April	-	-	-	-	9	1	-	-	-	1	11
May	-	-	-	-	12	2	-	-	-	-	14
June	-	-	-	-	21	-	-	-	-	-	21
July	-	-	-	-	12	1	-	-	-	-	13
August	-	-	-	-	16	-	-	-	-	-	16
September	-	-	-	-	14	2	-	-	-	-	16
October	-	-	-	-	10	-	1	-	-	-	11
November	-	-	-	-	10	1	-	-	-	-	11
December	-	-	-	-	12	1	-	-	-	-	13
<u>1954</u>											
January	-	-	-	-	32	2	-	-	-	-	34
February	-	-	-	-	37	4	-	-	-	-	41
March	-	-	-	-	37	2	-	-	1	-	40
April	-	-	-	-	38	1	-	-	-	2	41
May	-	-	-	-	37	2	-	-	-	-	39
June	-	-	-	-	38	2	-	-	-	-	40



1010526281

COMMERCIAL FAILURES

