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Report of the Superintendent of Bankruptcy

for the year ended March 31, 1968

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Chapter 1 BANKRUPTCY AND INSOLVENCY LEGISLATION

Subsection 21 of Section 91 of the British North America Act gives to the Parliament of Canada exclusive jurisdiction to enact legislation relating to bankruptcy and insolvency. Canadian bankruptcy legislation, as we know it today, was first passed in 1919 and the last general revision was in 1949.

Amendments

The 1949 revision of the Bankruptcy Act was amended in 1966 (1966-67, c. 32). The changes included a widening of the investigatory powers of the Superintendent when he has reason to suspect that an offence has been committed in connection with a bankruptcy and that the matter might not otherwise be investigated. This new portion of the Act, (Section 3A), enables the Superintendent (or a person authorized by him), in the above circumstances, and with the approval of the court, to enter and search any building or place for books, records or any documentation that may constitute evidence of an offence in connection with bankruptcy. It also authorizes him, without an order, to examine before the registrar of the court, any person reasonably thought to have knowledge of the affairs of the bankruptcy. This procedure has facilitated investigations in that information necessary to assess situations that arise is more readily available. Many more prosecutions have been undertaken as a result of evidence revealed and creditors generally have had a clearer picture of bankrupt estates made available to them than in the past.

A further significant amendment in 1966, dealing with non-arm's length transactions, has enabled trustees better to deal with pre-bankruptcy transactions that prejudice the rights of the legitimate creditors. Section 2A declares these transactions to be reviewable, and Section 2B sets out what persons are considered "related persons" when transacting business with the debtor prior to his bankruptcy.

Part X of the Bankruptcy Act was also enacted in 1966. This part provides for a system of orderly payment of debts under the supervision of the Courts. While it is enacted by Parliament, it is effective only in Provinces where the Lieutenant Governor in Council has requested the Governor in Council to proclaim it in force. Statistics on the operations of Part X in those provinces in which this Part is in force appear later in this report. (See Page 45)

These amendments were merely a prelude to a complete revision of the Act undertaken by the Advisory Committee on Bankruptcy Legislation. This Committee has for the past two years conducted research into the underlying philosophy of bankruptcy and insolvency legislation and administration in Canada. This has included discussions with scholars and others involved in this field in Canada as well as other countries experiencing these complex problems.

The task facing the Committee, of course, is not limited to an assessment of the problem, but also includes a study of the administrative and judicial processes that may be utilized in minimizing injustices that result from this economic illness.

The Assistant Deputy Minister (Corporate Affairs) of the Department of Consumer and Corporate Affairs and the Superintendent of Bankruptcy are joined by John D. Honsberger, Q.C., of Toronto, and Pierre Carignan, Q.C., of Montreal, in the composition of this Advisory Committee. In addition to the Bankruptcy Act, the Committee is also studying the Companies' Creditors Arrangement Act (1952 R.S.C. ch. 54), the Farmers' Creditors Arrangement Act (1952 R.S.C. ch. 111) and the Winding-Up Act (1952 R.S.C. ch. 296).

The Companies' Creditors Arrangement Act

The purpose of the Companies' Creditors Arrangement Act, which was enacted in 1933, is to enable limited companies to re-organize financially and to compromise with their creditors without being obliged to make an assignment and otherwise come under the jurisdiction of the Bankruptcy Court.

The proceedings under this Act are, to some extent, controlled by the Courts having jurisdiction therein and the Act does not give the Bankruptcy Branch any special responsibility with respect to these proceedings. There are no statistical records of the proceedings initiated under this Act, but it would appear that, in recent years, there were only a few companies that availed themselves of the provisions of this Act.

One of the disadvantages of the Companies' Creditors Arrangement Act is to be found in the almost complete absence of creditor control and of investigation of the applicant's affairs. No trustee is appointed and no inspectors are elected to take care of the interest of the creditors at large.

The Farmers' Creditors Arrangement Act

The purpose of the Farmers' Creditors Arrangement Act, which was first enacted in 1934, is to assist farmers in financial distress to retain their land by providing means whereby compromises or rearrangements of the debts of such farmers could be effected. The Act also simplifies the operation of the Bankruptcy Act with respect to farmers generally.

No procedure has been reported under the Farmers' Creditors Arrangement Act since 1959.

The Winding-Up Act

The first federal Winding-Up Act was passed in 1882 and the present Act is found in Chapter 296 of R.S. of Canada, 1952. This Act provides that the Chief Justice of the court of each province, together with the judges of their respective courts, may promulgate rules, forms and regulations to be followed and observed in proceedings under this Act.

The purpose of the Winding-Up Act is to provide machinery for the orderly winding-up or liquidation of certain companies whether or not they are insolvent.

Insofar as insolvent companies are concerned, the system of procedure provided by the Winding-Up Act was, before the 1966 amendments to the Bankruptcy Act, concurrent with the one provided by the Bankruptcy Act. Since 1966, however, any proceedings initiated under the Winding-Up Act shall abate where a petition for a receiving order or an assignment has been filed under the Bankruptcy Act (Section 169A of the Bankruptcy Act).

The proceedings initiated under the Winding-Up Act are, to some extent, controlled by the court having jurisdiction therein. The Superintendent of Bankruptcy has no responsibility with respect to such proceedings except that, in certain cases, only a trustee licensed under the Bankruptcy Act may be appointed liquidator.

TABLE I – CORPORATIONS WOUND UP UNDER THE WINDING-UP ACT (SHOWN BY PROVINCE WITH LIABILITIES IN THOUSANDS OF DOLLARS)
 FOR THE YEARS 1961 TO 1967
 (Source: Dominion Bureau of Statistics)

Province	1961		1962		1963		1964		1965		1966		1967		TOTAL 7 YRS.	
	No.	Liab. \$	No.	Liab. \$	No.	Liab. \$	No.	Liab. \$	No.	Liab. \$	No.	Liab. \$	No.	Liab. \$	No.	Liab. \$
Newfoundland																
Prince Edward Island																
Nova Scotia	1	42	1	5			1	1,118			1	3,508			3	3,555
New Brunswick							58	12,050	43	2,817	23	3,448	11	703	296	33,070
Quebec	27	1,535	62	7,859	72	4,658	5	683	1	192	7	3,194	1	285	16	4,409
Ontario			1	35	1	20			1	150			1	13,172*	2	13,322
Manitoba																
Saskatchewan																
Alberta	3	20			1	14	1	25	1	50					6	109
British Columbia			3	703	2	2,314	1	753	1	804	1	35			8	4,609
All Canada	31	1,597	67	8,602	76	7,006	66	14,629	47	4,013	32	10,185	13	14,160	332	60,192

* Western Bank

Chapter 2

THE BANKRUPTCY BRANCH

The Office of the Superintendent of Bankruptcy

The Superintendent of Bankruptcy is authorized to supervise the administration of all estates to which the Bankruptcy Act applies. He accomplishes this principally by overseeing the work of the trustees in the carrying out of their duties in regard to the estates under their administration. Reports on steps taken by the trustees in accordance with the Act, and an accounting of their individual administrations are submitted to him for his information and comment. To ensure proper performance by the trustees in bankruptcy, he intermittently carries out an investigation into the methods used by individual trustees as well as their conduct.

The Act authorizes the Superintendent to intervene in any bankruptcy matter or proceeding. This authority is exercised at any time he feels there are pertinent facts in his possession that might otherwise not be brought to the attention of the court.

Where it appears to the Superintendent that there are reasonable grounds for suspecting that a person has, in connection with a bankruptcy, committed an offence under any Act of the Parliament of Canada, he is authorized to institute an investigation of the matter. Under recent amendments to the Bankruptcy Act, his investigatory powers are very wide. If evidence of an offence is obtained, it is turned over to the designated prosecuting authority so that offenders may be dealt with.

Applications for licenses as trustee in bankruptcy are received by the Superintendent. He has a duty to investigate the applicant as to suitability to receive such a license. He will then make such recommendations to the Minister of Consumer and Corporate Affairs as are necessary to properly inform the latter who will issue the license if he deems it in the public interest.

While the administrative powers of the Superintendent are all encompassing in the field of bankruptcy, he will rarely interfere in the actual administration of a bankrupt estate. His concerns are compliance with the Bankruptcy Act, ethical and legal practices of those concerned with the administration, and to ensure that a court, hearing a bankruptcy matter, is properly informed.

Branch Personnel

As at March 31, 1968, the personnel of the Bankruptcy Branch had increased to 107. Table "II" reflects the yearly increases by class of employee.

Graph "I" shows a condensed chart of the Branch's organization at September 1, 1968.

Most of the operations of the Office of the Superintendent of Bankruptcy continue to be carried out from Ottawa, except for field audits and investigations which are performed by staff at the regional offices.

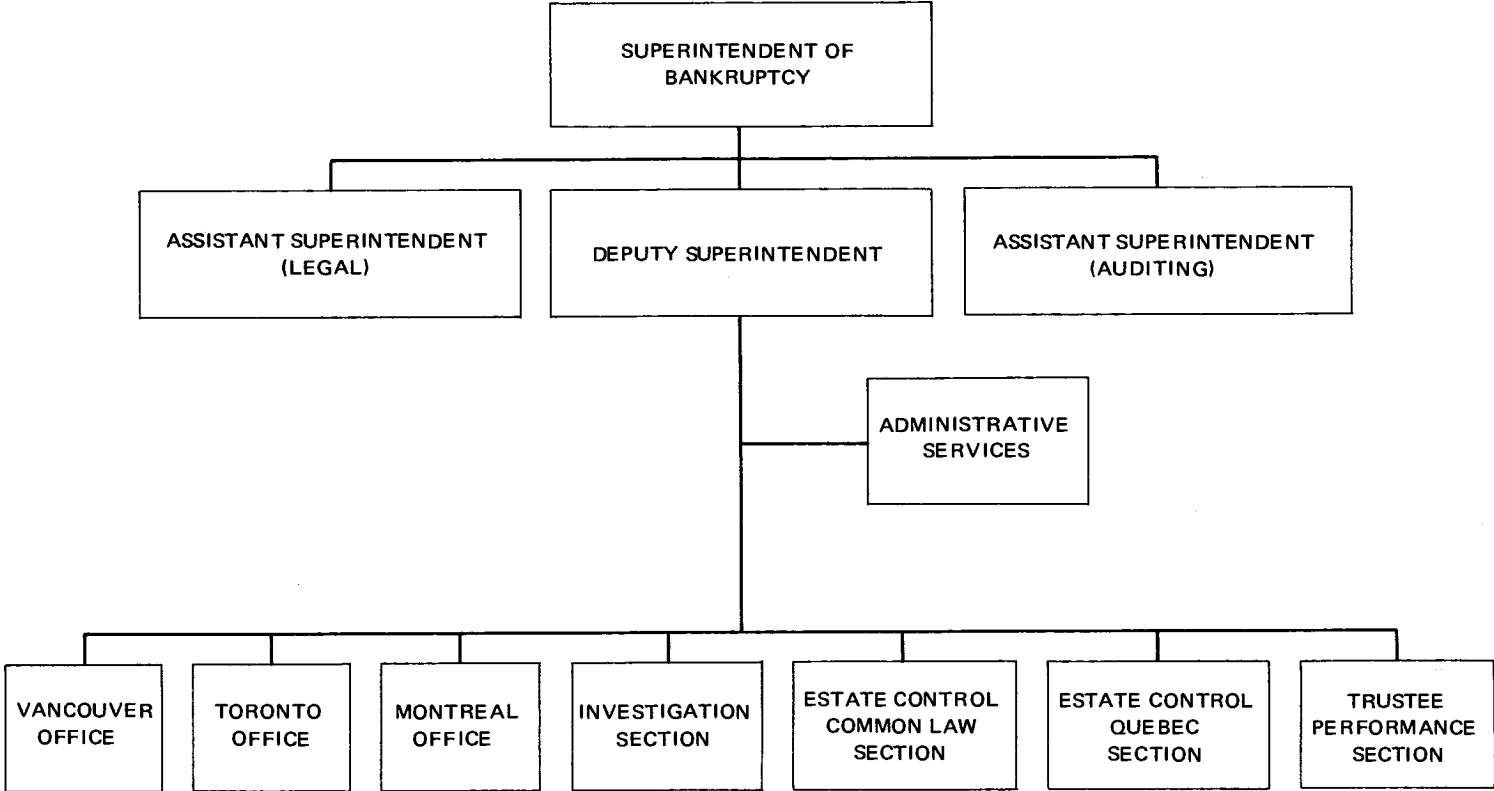
TABLE II – PERSONNEL OF THE BRANCH ESTABLISHMENTS AS OF MARCH 31ST,
1950, 1960, 1962, 1965, 1966, 1967, 1968

Class of employee	1950	1960	1962	1965	1966	1967	1968
Head Office							
Executive	1	1	1	2	2	4	4
Administrative and Professional	2	2	4	4	8	9	16
Clerical and Stenographic	6	8	9	10	19	19	44
Total Head Office	9	11	14	16	29	32	64
Regional Offices							
Executive						3	3
Administrative and Professional					2	24	26
Clerical and Stenographic						10	14
Total Regional Offices					2	37	43
Total Branch	9	11	14	16	31	69	107

In Ottawa, the variety and diversity of functions in the administration of the Bankruptcy Act, required the formation of specialized sections, as follows:

1. The Assistant Superintendent of Bankruptcy (legal) is responsible for advising the Superintendent of Bankruptcy and his staff on all matters of a legal nature.
2. The Assistant Superintendent of Bankruptcy (auditing) acts as advisor to the Superintendent in the field of auditing. In addition, he is responsible for the methods and procedures used within the Bankruptcy Branch, as well as for those of the official receivers at the Branch's regional offices.
3. The Investigation Section reviews and controls all cases requiring investigation. Where the Superintendent has evidence of offences having been committed, these cases are then referred for prosecution.
4. The Trustee Section is responsible for all matters relating to the issuance of licences, together with the general performance of trustees.
5. The Estate Control Sections maintain a surveillance on the detailed administration of estates. All cases are reviewed by an officer at the outset of a bankruptcy. In many instances, the trustee is requested to forward additional information regarding the debtor's financial affairs, or on his own administration of the estate. Any irregularities or unexplained transactions are referred to the trustee for his comments. Where necessary, these may later be directed to the Investigation Section.

GRAPH I
ORGANIZATION CHART OF THE BANKRUPTCY BRANCH



The forty-three employees located in the regional offices are divided as follows:

Montreal (serving the Province of Quebec and the Maritime Provinces)	22
Toronto (serving the Province of Ontario).	14
Vancouver (serving British Columbia and the Prairie Provinces)	<u>7</u>
	<u>43</u>

The main functions of the regional offices are:

1. to investigate complaints relating to a trustee's administration or the conduct of the debtor prior to bankruptcy, and
2. to carry out periodic audits of trustees in bankruptcy.

The regional offices work in close co-operation with the Commercial Fraud Section of the Royal Canadian Mounted Police (R.C.M.P.) and other law enforcement agencies. During the past year, the services of the R.C.M.P. were used extensively.

Further, the Comptroller of the Treasury (Audit Services Branch) assisted the office of the Superintendent of Bankruptcy in the periodical audit of trustees.

Revenues

Revenues received by the Superintendent of Bankruptcy are derived from two sources as follows:

For the year ended March 31, 1968

1. Fees paid by trustees in bankruptcy for new licences and annual renewals (Section 5(4))	\$ 10,835
2. Levy of 2% on dividends paid to creditors by the trustee (Section 106)	<u>352,548</u>
Total for the year.	<u>\$ 363,383</u>

Expenditures

Expenditures for the year amounted to \$797,049 with increases mainly attributable to salaries and professional services. (Table "III" shows allotment and expenditure for 1967 - 68 by type of expenditure).

Table "IV" is a comparative statement of revenue and expenditure for the years 1963 - 64 to 1967 - 68.

TABLE III – ALLOTMENT AND EXPENDITURE 1967-68

	Allotment	Expenditure	Unexpended Balance
Salaries and Wages	\$598,000	\$587,022	\$ 10,978
Professional and Special Services	100,900	74,089	26,811
Travelling Expenses	48,000	46,437	1,563
Travelling Expenses of Judges and other Court Officials attending Bankruptcy Conferences	7,700	7,667	33
Telephones and Telegrams	13,200	12,551	649
Office Stationery, Supplies, Equipment & Furnishings	72,500	68,401	4,099
Sundries	1,700	882	818
Totals	\$842,000	\$797,049	\$44,951

TABLE IV – COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEARS 1963-64, 1964-65, 1965-66, 1966-67 and 1967-68

Years	Revenue	Expenditure
1963-64	\$ 288,120	\$ 133,682
1964-65	298,642	115,652
1965-66	277,937	143,437
1966-67	285,316	274,733
1967-68	363,383	797,049

Chapter 3 THE BANKRUPTCY 'MILIEU'

The Trustee

The Bankruptcy Act provides for the appointment of a trustee to administer the estate of a bankrupt, or in the case of a proposal, to implement its terms. A person wishing to act as a trustee must be duly licensed by the Superintendent of Bankruptcy. The procedure whereby licences are obtained is dealt with in another section of this report. (See Page 16)

In the case of a voluntary assignment by a bankrupt, the appointment of the trustee is made initially by the Official Receiver who is required to take into account the wishes of the major creditors. In the case of a petition for a receiving order, a trustee is suggested in the petition. These appointments are later subject to confirmation at the first meeting of creditors. The proceedings for a proposal are commenced (in the case of an insolvent person) by lodging with a licensed trustee, and (in the case of a bankrupt) by lodging with the trustee of the estate, a copy of the proposal. The trustee acting in a proposal then, would be normally the one sought out by the debtor.

Under Section 8(1) of the Bankruptcy Act, the trustee is required to place a bond with the Official Receiver, as a safeguard for the accounting and control of the property received by him, as well as for the due and faithful performance of his duties. The amount of the security may be increased or reduced by the Official Receiver.

The trustee must take possession of the property of the bankrupt and make an inventory. By virtue of Section 8(3) of the Bankruptcy Act, the trustee's position in respect to this property is the same as if he were a receiver of the property appointed by the court.

A major requirement in the administration of estates is that proper books and records be maintained. These records are the property of the estate. In the event of any change of trustee, all such books and records are required to be delivered to the substituted trustee. The records are open for inspection and copies can be made by the Superintendent of Bankruptcy, the bankrupt or any creditor at any reasonable time. The trustee is required to report, on his administration, to the inspectors of the estate and to the creditors, as well as to the Superintendent of Bankruptcy, when directed to do so.

The trustee's powers and duties in an estate are quite extensive. He is guided by the inspectors, and is advised on legal matters by the estate's solicitor. Where the trustee is in doubt as to the proper procedures to be applied in the administration, he may apply to the court for directions.

The remuneration of the trustee is covered by Section 17 of the Bankruptcy Act. Where his remuneration has not been voted by ordinary resolution at any meeting of

creditors, the trustee may retain as his remuneration, a sum not exceeding 7 1/2% of the amount remaining out of the realization of the property after the claims of the secured creditors have been paid or satisfied. Special remuneration may be allowed where the business of the debtor has been carried on by the trustee.

Should the trustee, a creditor or the debtor apply to the court, an order increasing or reducing the remuneration may be made.

When a trustee has completed the duties required of him with respect to the administration of the property of the bankrupt, he shall apply to the court for a discharge (Section 19(1)).

The trustee is concerned also in the investigation of the affairs and conduct of the bankrupt. He is required to state an opinion as to whether there has been any substantial disappearance of assets, as well as giving the main reasons for the bankruptcy. This report is used by the court in determining whether the bankrupt should get an absolute discharge from bankruptcy, at the time of his application. Where evidence exists of an offence under the Bankruptcy Act or the Criminal Code, it is the trustee's duty to report these facts to the Superintendent of Bankruptcy.

The professional and ethical conduct of trustees is at all times under the surveillance of the Bankruptcy Branch and in order to give guidelines in this respect, a series of Bulletins have been issued by the Superintendent of Bankruptcy, outlining acceptable standards of behaviour.

References:

Appendix, Page 49, Current listing of Bulletins to Trustees.

Licensing Policy

The system of licensing of trustees dates back to the setting up of the office of the Superintendent of Bankruptcy. Initially, the issuance of new licences was based on a quota control. In 1950, this policy was abandoned and was replaced by one known as the "open door policy". There was no quota on the number of trustees and any applicant that could qualify and meet the requirements set up by the Department would receive a licence. Over the years, a number of criteria have evolved regarding the desired qualifications of trustees.

In 1965, a moratorium was placed on the issuance of new licences. A committee was appointed in February 1966 to advise on bankruptcy legislation. The report of this committee, is expected to contain recommendations with respect to trustee licences.

Pending the findings of this committee, an interim measure was introduced in the latter part of 1967, the purpose of which was to upgrade the acceptable standards for trustees.

To obtain a licence, an application must first be filed with the Superintendent of Bankruptcy. The Superintendent takes into account the applicant's resources, education and skills, which are compared in relation to the Department's minimum standards.

The candidate must also display executive ability and judgment.

All applicants must now appear before a Board of Examination. The Board has four members, two of whom are from the Bankruptcy Branch, while the remainder are chosen from local regions across Canada. The last hearings were held in the Spring of 1968, and a Board was convened for the following regions:

- Maritimes
- Quebec
- Ontario
- Prairies
- British Columbia.

A licence is issued for a bankruptcy district or districts (provinces) or any part thereof, in which the trustee is entitled to act. All licences expire as of the 31st of December of each year, but may be renewed from year to year.

The Minister, after having received a report from the Superintendent as to the character and qualifications of the applicant may, if he considers it will be of public advantage to do so, authorize the issuance of a licence.

A licence fee together with a general performance bond is required to be filed by the trustee with the Superintendent of Bankruptcy, on the issuance of his licence. A fee is required each year on the renewal of the licence.

TABLE V - ANALYSIS OF TRUSTEE LICENSING FOR THE PERIOD
1950 TO DECEMBER 31, 1967

Year	Licences in Force 1 Jan.	New Issues	Withdrawn			Licences in Force		
			For Death Resignation, etc.	For Cause	Total	Uncon- ditional	Restricted to Existing Estates	Total
1950	199	17	19		19	Not Available		197
1951	197	16	19		19	Not Available		194
1952	194	50	14		14	229	1	230
1953	230	24	14		14	238	2	240
1954	240	29	14		14	253	2	255
1955	255	39	16		16	277	1	278
1956	278	35	11		11	300	2	302
1957	302	26	16		16	309	3	312
1958	312	28	19		19	321	0	321
1959	321	30	13	3	16	334	1	335
1960	335	23	11	1	12	339	7	346
1961	346	40	13	2	15	359	12	371
1962	371	54	15	1	16	395	14	409
1963	409	71	16	0	16	445	19	464
1964	464	65	5	4	9	507	13	520
1965	520	25	13	4	17	509	19	528
1966	528	0	25	3	28	462	38	500
1967	500	1	15	1	16	445	40	485

Official Receivers

The main functions of Official Receivers are as follows:

1. To accept for filing the assignments in bankruptcy of insolvent debtors.
2. To preside at the first meeting of creditors during which the affairs of the debtor are examined and the trustee is confirmed in his functions.
3. To fix the amount of the bond that has to be deposited with the Official Receiver by the trustee to guaranty the proper discharge of his duties and responsibilities.
4. To examine the debtor under oath on his conduct, the causes of his bankruptcy and the disposition of his property.

The Bankruptcy Act provides for the appointment of Official Receivers by the Governor-in-Council. As at June 30, 1968, there were sixty-two of these officials holding office throughout the country. In many instances, appointees are selected from among those holding administrative positions in provincial government courts. When this is the case, the concurrence of the applicable provincial authority to the appointment is obtained.

The bankruptcy officers on staff at the regional offices of the Superintendent at Montreal, Toronto and Vancouver are persons highly qualified for appointment as Official Receivers. Sixteen of these officers were appointed to be Official Receivers by the Governor-in-Council on June 12, 1968 for the Bankruptcy Division in which their respective offices are located.

On January 5, 1968, a conference of Official Receivers for the Province of Ontario was held in Ottawa. The Superintendent of Bankruptcy and other members of the Branch were present and many of the problems relating to the duties and procedures of Official Receivers were discussed. This type of conference was the first of its kind and led to many constructive suggestions.

The Registrar

The Registrar in Bankruptcy, appointed by the Chief Justice of each Province, is a member of the court having bankruptcy jurisdiction. He has some administrative duties, but primarily he has a judicial function.

He may hear and determine all unopposed applications to the court. This could range from petitions for receiving orders to discharges of the bankrupt and the trustee. He must pass the accounts of the trustee and tax the bills of solicitors for services rendered to estates. He may make interim orders in cases of emergencies and is available to the Official Receiver for purposes of settling matters in doubt.

The judgments of the Registrar may be appealed to a Judge of the Court.

The Court

The term "court" is defined in the Bankruptcy Act as the court having jurisdiction in bankruptcy or a judge thereof, and includes a Registrar when exercising the powers of

the court conferred upon him under that Act. In a later section, the Act gives jurisdiction in bankruptcy matters to the previously constituted superior court of each province. These specifically designated courts are invested not only with jurisdiction at law, but also in equity when exercising original, auxiliary or ancillary jurisdiction in bankruptcy. The Act also vests in the several courts of appeal this same jurisdiction at law and in equity to determine appeals from the courts of original jurisdiction within their respective jurisdictions. The Supreme Court of Canada is vested with jurisdiction to hear any appeal permitted by its ordinary procedure.

A single judge of the court of original jurisdiction may exercise the judicial powers conferred by the Bankruptcy Act including those specifically assigned to the Registrar. An order made by one court shall be enforced in the courts having jurisdiction in bankruptcy elsewhere in Canada in all respects as if the order had been made by the court required to enforce it. Any warrant of a court may be enforced in any part of Canada. Every court may review, rescind or vary any order made by it under its bankruptcy jurisdiction.

Early in the year 1968, a two-day conference of Judges sitting in bankruptcy was convened at the city of Montreal for the purpose of discussing judicial problems relating to bankruptcy. The Bankruptcy Branch welcomed the opportunity to assist the judges in making the administrative arrangements for this conference.

Chapter 4 COMPLAINTS AND INVESTIGATIONS

Complaints

An important aspect of the work of the Bankruptcy Branch concerns the disposition of complaints. Of the 481 complaints registered during 1967, 242 were directed against trustees, while 210 were against debtors. (See table below for analysis). Complaints embody allegations of irregularities and offences under the Bankruptcy Act, or any other Act of Parliament. Most complainants are creditors.

The following is a summary of the complaints for 1967.

Outstanding complaints as at January 1, 1967	197
<i>Add:</i> New complaints registered during the year	<u>481</u>
	678
<i>Deduct:</i> Disposed in 1967	<u>342</u>
Outstanding as at December 31, 1967	<u><u>336</u></u>

Analysis of Complaints – 1967

Nature of Complaint	Against Trustees	Against Debtors	Against Others	Total
Negligence	145	7	4	156
Impropriety & misconduct	70	60	14	144
Fraud	27	143	11	181
Total	242	210	29	481

Investigations

Some complaints are serious enough to warrant field investigation. During the year, 320 investigations were initiated by the Superintendent of Bankruptcy.

In this connection, the Bankruptcy Branch co-operates with, and receives assistance from, other government departments and agencies. The R.C.M.P. as well as provincial authorities co-ordinate assignments with the Branch in the detection of crimes and offences. It is in the area of investigation that our Regional Offices have played a significant role.

Summary of Investigations - 1967

	On hand as at 1-1-67	Initiated during the year	Completed during the year	On hand as at 31-12-67
1. Regional Offices				
Montreal	0	138	38	100
Toronto	0	65	14	51
Vancouver	0	16	10	6
2. R.C.M.P.	104	101	115	90
Total	104	320	177	247

Results of Investigations completed during 1967

Assistance given to other agencies	27
Complaints unfounded and insufficient evidence	120
Prosecutions initiated and taken	30
Total completed during 1967	<u>177</u>

Chapter 5 PROSECUTIONS

Arrangements with Provinces

Prosecutions instituted under the Bankruptcy Act are the responsibility of the Federal Department of Justice whereas those under the Criminal Code are handled by the provincial attorneys-general, who are responsible for the administration of justice within their respective provinces.

The co-ordination of Federal and Provincial efforts in investigating and prosecuting offences and crimes connected with bankruptcies has improved the administration of bankruptcy legislation throughout Canada.

During 1967, 30 cases were brought before the courts, involving a total of 101 charges under the Bankruptcy Act and Criminal Code. A summary of the results of these charges is as follows:

Convictions obtained	14
Dismissed – insufficient evidence	14
Withdrawn – convicted on other offences	6
Pending before the courts, – as at December 31, 1967	<u>67</u>
	<u>101</u>

Details of the charges laid under various sections of the Bankruptcy Act and Criminal Code are set out in Table VI.

TABLE VI—DETAILS OF CHARGES LAID UNDER THE
BANKRUPTCY ACT AND CRIMINAL CODE DURING THE YEAR 1967

Section		No. of	Charges
	Bankruptcy Act		
156 (a)	Failure by the bankrupt to discharge the duties required of him by the Bankruptcy Act (Section 117)	16	
156 (b)	Fraudulent disposal of property	4	
156 (c)	Examinations of bankrupt	3	
156 (d)	Falsification of books and documents	4	
156 (g)	Fraudulent concealment or removal of any property by the bankrupt	2	
157 (a) (b)	Trading as an undischarged bankrupt	13	
158	Failing to keep proper books of accounts	2	
159	False claim by creditor	1	
	Total:		45
	Criminal Code		
112	Perjury	1	
120	Public mischief	1	
280	Theft	5	
282	Breach of trust	1	
296	Having in possession property obtained by crime	2	
304	Obtaining credit by false pretence	3	
311	Uttering forged documents	3	
323	Fraud	3	
335	Disposal of property to defraud creditors	19	
340	Falsification of books and documents	2	
345	Trader failing to keep accounts	6	
346	Personation	2	
408	Conspiracy	8	
	Total:		56
	GRAND TOTAL:		101

Chapter 6
UNCLAIMED DIVIDENDS
AND UNDISTRIBUTED FUNDS

Before proceeding to his discharge, a trustee is required by virtue of Section 113(1) of the Bankruptcy Act to forward to the Superintendent of Bankruptcy (for deposit with the Receiver General), all unclaimed dividends and undistributed funds remaining in his hands, together with a list of the names and post office addresses of the creditors entitled to these funds.

Section 113(2) states that thereafter, any creditor, upon application, shall be paid his proper dividend as shown on the trustee's list.

The total amount of money on deposit with the Receiver General as of July 1, 1968, was close to \$465,000.00.

Chapter 7
INDEX OF DIRECTORS AND OFFICERS
OF BANKRUPT CORPORATIONS

The Head Office of the Bankruptcy Branch maintains, (since 1967), an index of the names and addresses of the officers and directors of bankrupt corporations. This index also lists the names of persons who controlled the day-to-day operations of these companies.

Approximately 3,000 individual names are listed which are cross-referenced to an estimated 1,000 corporations.

This information is available to any member of the public by communicating with the Superintendent of Bankruptcy in Ottawa.

Chapter 8 ANNUAL STATISTICS AND TABLES

It will be noted in the tables printed on the following pages, that in 1967, 4,023 new bankrupt estates were reported and 253 proposals to creditors were ratified by the courts. The total loss to creditors on these estates in the whole of Canada was estimated at \$161,171,000. The Provinces of Quebec, Ontario and British Columbia accounted for \$146,767,000 of this deficit.

Business bankruptcies accounted for 2,474 of the number of cases reported. Table VIII-6 illustrates that 41.88% of these were in the Wholesale and Retail Trades Section of the community. Brief commentaries on each of the tables are given below.

Notes on Statistics

Table VII. This is a comparative analysis of bankruptcies and proposals reported, closed and carried over for the years 1933 through 1967. There has been a reduction in the number of estates reported, and this continues a downward trend started in 1965. For the second time since 1946, there has been a decrease in the number of open administrations on hand at the end of the year.

The decrease in the reported number of estates from 4,963 in 1966 to 4,276 in 1967, is accompanied by a decrease in the total liabilities as declared, from 448 million to 367 million dollars and a decrease in the total expected deficiency from 244 million to 161 million dollars.

Graph II. Illustrates in graphic form the number of bankruptcies and proposals reported in Canada and in the Provinces of Ontario and Quebec in the past eleven years.

Table VIII. Shows the total number of bankruptcies and proposals reported in each province during the year. It is interesting to note that the only significant variation between the percentage of the number of estates and the percentage of deficiencies occurs in the Provinces of Ontario and Quebec.

Tables VIII-1, VIII-2, VIII-3. These give the number of business and non-business bankruptcies, as well as the proposals in each Province. The figures on these tables support those shown in Table VIII.

Table VIII-4. This gives the total number of bankruptcies by corporations, non-incorporated businesses and personal or wage earner bankruptcies.

Of the 2,474 business bankruptcies reported, 269 or 11% were initiated by receiving orders. Only 41, less than 3%, out of the 1,549 non-business bankruptcies were commenced by receiving orders.

Table VIII-5. Gives a breakdown of the guarantor bankruptcies by Province.

Table VIII-6. Gives a breakdown of the number of business bankruptcies by type of industries.

Table VIII-7. Shows the number of bankruptcies divided by size of declared liabilities. The majority of bankruptcies reported have total liabilities between \$5,000 and \$25,000.

TABLE VII - COMPARATIVE ANALYSIS OF ESTATES REPORTED CLOSED AND CARRIED OVER THE CALENDAR YEARS 1933 to 1967

Year	Estates Reported	Estates Closed	Administration Carried Over
1933	2,608	850	1,758
1934	1,411	1,624	1,545
1935	1,263	1,198	1,610
1936	1,154	1,069	1,695
1937	967	1,149	1,513
1938	1,074	1,098	1,489
1939	1,109	1,119	1,479
1940	1,003	1,084	1,398
1941	918	981	1,335
1942	725	879	1,181
1943	416	675	922
1944	273	468	727
1945	264	351	640
1946	269	299	610
1947	509	320	799
1948	799	450	1,148
1949	1,045	672	1,521
1950	1,275	678	2,118
1951	1,349	993	2,474
1952	1,434	1,195	2,713
1953	1,617	1,256	3,074
1954	2,265	1,336	4,003
1955	2,414	1,434	4,983
1956	2,849	953	6,879
1957	3,486	2,255	8,110
1958	3,229	3,361	7,978
1959	3,238	2,923	8,293
1960	3,641	2,826	9,108
1961	3,511	2,950	9,669
1962	4,297	2,774	11,194
1963	5,189	2,829	13,554
1964	5,333	2,754	
Proposals and prior adjustment	3,229	218	19,144
1965	5,023	4,547	
Proposals	256	244	19,632
1966	4,677	4,072	
Proposals	286	396	20,127
1967	4,023	5,739	
Proposals	253	380	18,284

GRAPH II
TOTAL ESTATES REPORTED UNDER THE BANKRUPTCY ACT
FOR THE YEARS 1957 - 1967

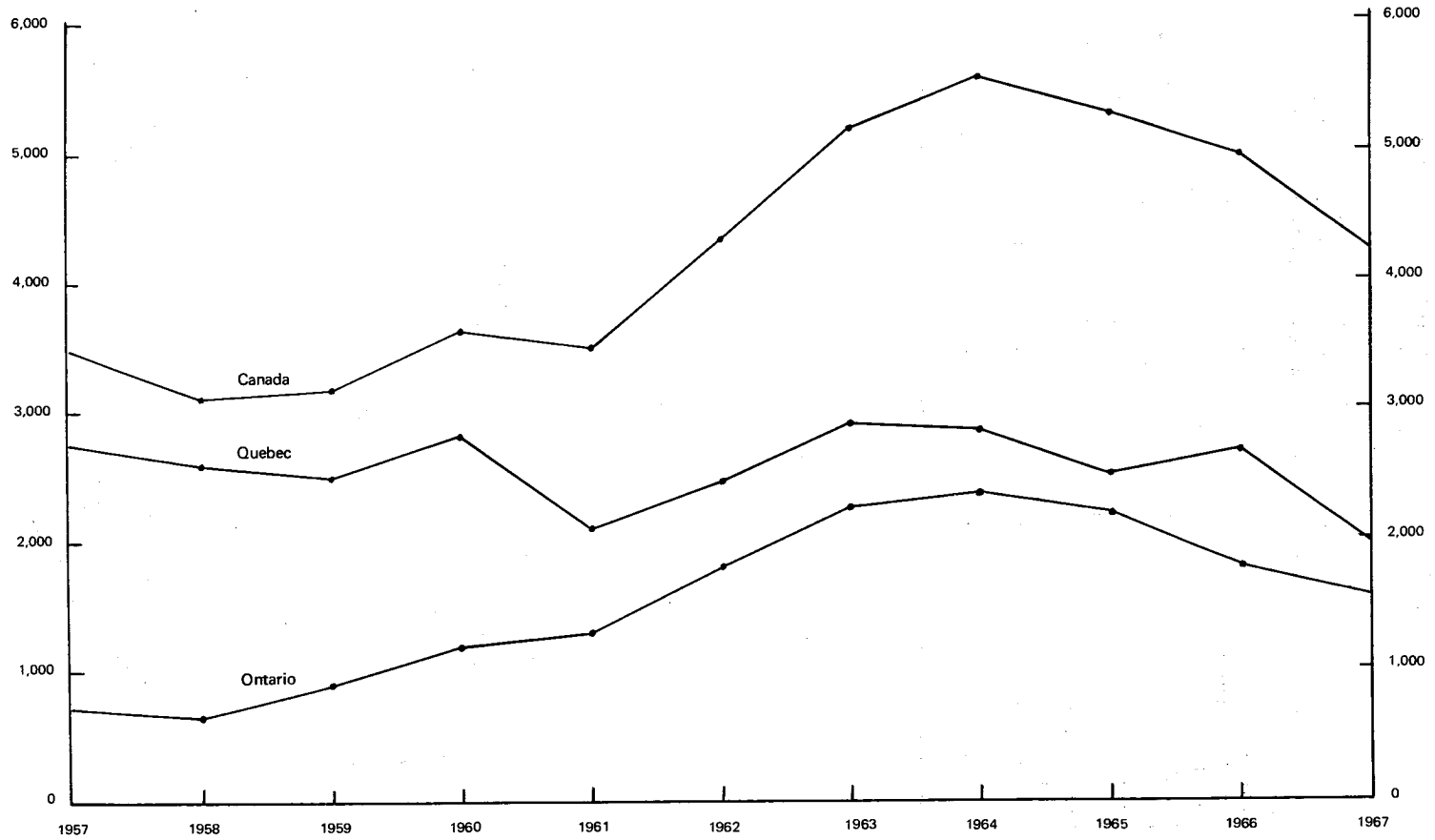


TABLE VIII – TOTAL BANKRUPTCIES AND PROPOSALS
REPORTED IN 1967

Province	% of Estates	Total Estates	Total Assets (in \$000)	Total Liabilities (in \$000)	Total Deficiency (\$000)	% of Total Deficiency
Newfoundland . . . . .	.16	7	3,916	4,439	523	.32
Prince Edward Island . . .	.14	6	4,259	5,697	1,438	.89
Nova Scotia . . . . .	.68	29	1,088	1,956	868	.54
New Brunswick . . . . .	.49	21	561	1,151	590	.37
Quebec	50.21	2,147	135,295	203,140	67,845	42.09
Ontario	38.61	1,651	40,539	114,209	73,670	45.71
Manitoba	2.01	86	7,223	14,298	7,075	4.39
Saskatchewan	1.33	57	1,071	2,666	1,595	.99
Alberta	2.53	108	1,473	3,788	2,315	1.44
British Columbia	3.84	164	10,547	15,799	5,252	3.26
Total	100.00	4,276	205,972	367,143	161,171	100.00

Note: Assets and liabilities are as declared by debtors and tend to be unreliable as to completeness and valuation.

GRAPH III
BANKRUPTCIES AND PROPOSALS FILED 1967 (ALL CANADA 4,276)

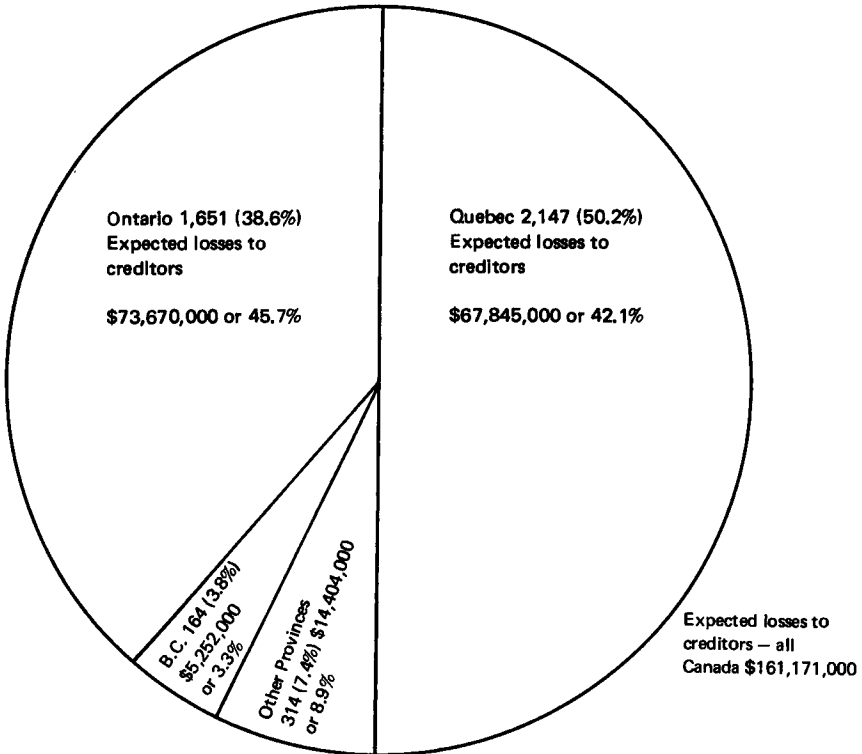


TABLE VIII-1—BUSINESS BANKRUPTCIES REPORTED IN 1967

Province	Total Estates	No Assets Estates	Nominal Assets Estates	Assets Over \$500 Estates	Previous Bankruptcy or Proposal	Unpledged Assets	Assets Pledged Contra Secured Liabilities	Preferred Liabilities	Other Unsecured Liabilities	Total Liabilities
Newfoundland	5	—	—	5	—	\$ 1,629,182	\$ 1,916,001	\$ 140,033	\$ 1,699,818	\$ 3,755,852
Prince Edward Island	4	—	1	3	1	569,504	430,062	23,859	762,736	1,216,657
Nova Scotia	15	4	1	10	1	221,382	374,565	27,484	723,781	1,125,830
New Brunswick	14	3	—	11	1	314,381	218,386	27,346	779,104	1,024,836
Quebec	1,335	203	189	943	237	40,303,470	40,262,574	5,041,816	82,540,598	127,844,988
Ontario	831	268	181	382	57	12,181,000	12,667,521	2,182,609	71,587,017	86,437,147
Manitoba	62	11	10	41	1	1,596,508	3,588,100	73,516	7,434,945	11,096,561
Saskatchewan	36	14	7	15	2	440,408	572,955	83,447	1,695,880	2,352,282
Alberta	75	21	14	40	2	745,242	660,552	139,094	2,389,126	3,188,772
British Columbia	97	31	5	61	4	1,805,980	2,162,246	462,874	5,418,519	8,043,639
Total	2,474	555	408	1,511	306	\$59,807,057	\$62,852,962	\$8,202,078	\$175,031,524	\$246,086,564
Total Estates	(100%)	(22%)	(17%)	(61%)						

Notes: 1. "Assets" as used to classify estates refer to unencumbered assets.

2. "Nominal" assets are those less than \$500.00.

3. Dollar amounts as to assets and liabilities are those declared by the debtors and tend to be unreliable as to completeness and valuation.

TABLE VIII-2—NON-BUSINESS BANKRUPTCIES 1967

Province	Total Estates	No Assets Estates	Nominal Assets Estates	Assets Over \$500 Estates	Previous Bankruptcy or Proposal	Unpledged Assets	Assets Pledged Contra Secured Liabilities	Preferred Liabilities	Other Unsecured Liabilities	Total Liabilities
Newfoundland	—	—	—	—	—	—	—	—	—	—
Prince Edward Island	1	1	—	—	—	—	—	—	\$ 4,254	\$ 4,254
Nova Scotia	9	7	1	1	—	\$ 5,561	\$ 23,943	\$ 120	55,270	79,333
New Brunswick	6	3	1	2	—	1,800	1,740	1,152	55,318	58,210
Quebec	634	255	245	134	86	1,636,685	4,124,347	269,401	12,330,058	16,723,806
Ontario	767	495	208	64	22	231,175	1,799,894	510,250	8,834,598	11,144,742
Manitoba	23	9	9	5	—	72,271	37,116	3,366	416,741	457,223
Saskatchewan	18	10	2	6	—	15,675	41,789	3,323	245,367	290,479
Alberta	33	20	9	4	1	13,471	54,366	52,189	492,027	598,582
British Columbia	58	43	8	7	1	46,045	155,853	66,632	782,302	1,004,787
Total	1,549	843	483	223	110	\$ 2,022,683	\$ 6,239,048	\$ 906,433	\$ 23,215,935	\$ 30,361,416
Total Estates	(100%)	(55%)	(31%)	(14%)						

Notes: 1. "Assets" as used to classify estates refer to unencumbered assets.

2. "Nominal" assets are those less than \$500.00.

3. Dollar amounts as to assets and liabilities are those declared by debtors and tend to be unreliable as to completeness and valuation.

4. The above figures include statistics of Table VIII-5 i.e. the amount of loans guaranteed for businesses by individuals.

TABLE VIII-3—PROPOSALS APPROVED IN 1967

Provinces	Number of Proposals Approved by Courts	Assets as Declared	Liabilities as Declared
Newfoundland	2	\$ 370,535	\$ 683,474
Prince Edward Island	1	3,259,022	4,475,734
Nova Scotia	5	462,787	751,011
New Brunswick	1	25,133	67,999
Quebec	178	48,967,090	58,571,511
Ontario	53	13,659,599	16,626,693
Manitoba	1	1,929,248	2,744,206
Saskatchewan	3	550	23,653
Alberta	—	—	—
British Columbia	9	6,376,525	6,750,562
Grand Total	253	\$75,050,489	\$90,694,843

TABLE VIII-4—TYPES OF BANKRUPTCIES REPORTED IN 1967

Provinces	Total	Business Bankruptcies		Non-Business
		Incorporated	Non Incorporated	
Newfoundland	5	3	2	—
Prince Edward Island	5	2	2	1
Nova Scotia	24	7	8	9
New Brunswick	20	6	8	6
Quebec	1,969	473	862	634
Ontario	1,598	202	629	767
Manitoba	85	15	47	23
Saskatchewan	54	8	28	18
Alberta	108	19	56	33
British Columbia	155	42	55	58
Total	4,023	777	1,697	1,549
%	(100%)	(19%)	(42%)	(39%)

TABLE VIII-5—BANKRUPTCY PROCEEDINGS FOR GUARANTORS REPORTED IN 1967

Province	Number of Guarantors	Unpledged Assets	Assets Pledged Contra Secured Liabilities	Preferred Liabilities	Unsecured Liabilities
Newfoundland	—	—	—	—	—
Prince Edward Island	—	—	—	—	—
Nova Scotia	—	—	—	—	—
New Brunswick	—	—	—	—	—
Quebec	118	\$ 708,452	\$1,834,591	\$211,689	\$5,910,988
Ontario	178	193,901	821,497	246,723	4,501,820
Manitoba	3	68,286	—	260	129,739
Saskatchewan	2	2,500	14,000	—	35,400
Alberta	5	13,539	53,078	46,455	114,880
British Columbia	7	23,341	94,528	8,431	843,199
Total	313	\$1,010,019	\$2,817,694	\$513,558	\$11,536,026

TABLE VIII-6—BUSINESS BANKRUPTCIES REPORTED IN 1967 BY TYPE OF INDUSTRIES

Type of Industries	%	Number of Cases	Assets as Declared	Liabilities as Declared			
				Preferred	Secured	Unsecured	Total
Primary Industries	4.85	120	\$ 5,135,312	\$ 397,252	\$ 6,537,953	\$ 6,785,578	\$ 13,720,783
Manufacturing Industries							
Food and beverage industries		39	261,842	63,643	563,235	1,253,639	1,880,517
Textile industries		9	315,488	47,766	406,763	733,589	1,188,118
Clothing industries (including knitting mills)		28	734,467	184,218	1,697,646	1,980,804	3,862,668
Wood industries (including furniture)		71	2,861,467	437,356	3,201,095	6,411,745	10,050,196
Paper and allied industries (including painting and publishing)		31	706,277	79,545	957,252	1,689,642	2,726,439
Primary and fabricated metal industries		41	1,854,341	408,716	1,665,315	12,044,266	14,118,297
Machinery industries		12	274,773	55,207	58,896	1,745,024	1,859,127
Transportation equipment industries		4	155,029	43,217	112,382	532,239	687,838
Electrical products industries		4	87,790	39,813	298,015	290,914	628,742
Non-metallic mineral products industries		3	235,802	48,923	223,092	418,576	690,591
Chemical industries		10	132,205	34,723	91,712	533,356	659,791
Other manufacturing industries		54	3,200,270	419,739	5,256,982	10,140,129	15,816,850
Total — All Manufacturing	12.37	306	10,819,751	1,862,866	14,532,385	37,773,923	54,169,174
Construction Industries							
General contractors		216	16,356,808	1,175,600	13,989,457	61,333,162	76,498,219
Special trade contractors		242	2,934,867	896,108	2,534,526	9,015,232	12,445,866
Total — All Construction	18.51	458	19,291,675	2,071,708	16,523,983	70,348,394	88,944,085
Transportation, Communication and Other Utilities	5.98	148	635,318	306,647	1,556,733	4,195,829	6,059,209

TABLE VIII-6 – CONTD

Type of Industries	%	Number of Cases	Assets as Declared	Liabilities as Declared			
				Preferred	Secured	Unsecured	Total
Trade (Wholesale and Retail)							
Food		274	1,789,479	377,959	2,824,737	5,950,730	9,153,426
General merchandise		23	405,847	29,049	427,550	770,507	1,227,106
Automotive products and machinery		264	3,174,766	603,863	5,082,010	8,817,739	14,503,612
Apparel and Shoes		87	1,196,894	194,432	375,928	2,527,191	3,097,551
Hardware		19	1,323,554	52,690	537,089	1,409,042	1,998,821
Household Furniture and Appliances		100	1,123,340	204,752	603,942	3,041,019	3,849,713
Drugs		10	199,159	36,313	94,958	1,153,198	1,284,469
Other Trades		259	3,720,016	690,831	4,255,873	10,164,469	15,111,173
Total – All Trade	41.88	1,036	12,933,055	2,189,889	14,202,087	33,833,895	50,225,871
Finance, Insurance and Real Estate	2.79	69	5,059,522	117,615	3,382,996	8,512,959	12,013,570
Services							
Education, Health and Welfare		35	183,252	92,649	781,251	950,524	1,824,424
Recreational services		28	697,945	310,753	778,378	1,924,086	3,013,217
Business services		44	2,015,629	139,514	1,028,687	2,836,346	4,004,547
Personal services		141	2,498,394	571,925	3,059,267	5,724,582	9,355,774
Other services		61	416,417	115,429	387,192	1,840,638	2,343,259
Total – All Services	12.49	309	5,811,637	1,230,270	6,034,775	13,276,176	20,541,221
Others	1.13	28	120,787	25,831	82,050	304,770	412,651
TOTAL	100%	2,474	\$ 59,807,057	\$ 8,202,078	\$ 62,852,962	\$175,031,524	\$246,086,564

TABLE VIII-7—BUSINESS BANKRUPTCIES REPORTED IN 1967 BY SIZE OF LIABILITIES

Provinces	Total		Under \$5000		\$5000 to 25,000		\$25,000 to 50,000		\$50,000 to 100,000		Over \$100,000	
	Incorporated	Non Incorporated	Incorporated	Non Incorporated	Incorporated	Non Incorporated	Incorporated	Non Incorporated	Incorporated	Non Incorporated	Incorporated	Non Incorporated
Newfoundland	3	2	—	—	—	—	—	1	1	—	2	1
Prince Edward Island	2	2	—	—	—	1	—	1	1	—	1	—
Nova Scotia	7	8	—	1	1	5	1	1	2	—	3	1
New Brunswick	6	8	—	—	1	6	2	1	—	—	3	1
Quebec	473	862	13	70	120	476	89	172	83	93	168	51
Ontario	202	629	10	51	32	372	38	130	42	56	80	20
Manitoba	15	47	—	3	—	26	2	14	6	4	7	—
Saskatchewan	8	28	—	—	1	15	1	9	1	3	5	1
Alberta	19	56	3	3	2	35	2	11	8	5	4	2
British Columbia	42	55	—	1	3	39	11	9	13	2	15	4
Total	777	1,697	26	129	160	975	146	349	157	163	288	81

Realizations by Trustees

Tables IX, IX-1, IX-2, IX-3 show the realization of assets in respect to estates closed during 1967. It should be noted that files closed during the year would, in most instances, have been initiated in prior years.

The amount shown for unsecured creditors includes also the claims of preferred creditors.

Out of the realizations of unpledged assets, 44% was utilized to defray the costs of administration while 56% was distributed among the creditors. Trustees' fees accounted for 49%, and legal fees for 14% of the total costs of administration.

TABLE IX – CONSOLIDATION OF ALL ESTATES CLOSED IN 1967
(In Thousands of Dollars)

Province	Estates	As Estimated and Declared by Debtors			Realization Secured Creditors	Realizations (Pledged Assets Excepted) Costs and Dividends						
		Unpledged Assets	Unsecured Creditors	Deficit		Total Realization by Trustee	Legal Fees	Trustee Fees	Other Expenses	Total Admin. Expenses	Dividend – Unsecured Creditors	
											Preferred	Ordinary
Newfoundland	–	–	–	–	–	–	–	–	–	–	–	–
Prince Edward Island .	6	74	70	(4)	71	7	–	2	2	4	–	3
Nova Scotia	22	500	1,010	510	232	89	6	14	7	27	15	47
New Brunswick	13	350	427	77	162	130	11	16	22	49	19	62
Quebec	3,723	62,195	81,449	19,254	33,964	8,936	492	2,124	1,775	4,391	1,415	3,130
Ontario	1,978	59,883	93,040	33,157	38,889	7,922	580	1,614	987	3,181	1,325	3,416
Manitoba	76	3,538	3,183	(355)	3,276	536	21	75	52	148	52	336
Saskatchewan	42	306	533	227	174	45	1	21	6	28	5	12
Alberta	120	2,405	3,307	902	1,241	674	34	123	95	252	66	356
British Columbia	139	6,039	7,900	1,861	3,501	959	47	132	201	380	157	422
Total	6,119	135,290	190,919	55,629	81,510	19,298	1,192	4,121	3,147	8,460	3,054	7,784

Notes: 1. Assets and liabilities as declared by debtors tend to be unreliable as to completeness and valuation.
2. Most of the proceedings terminated in this year would have been initiated in prior years.

TABLE IX-1 – ESTATES CLOSED IN 1967 (ESTATES ADMINISTERED UNDER THE GENERAL PROVISIONS OF THE ACT)
(In Thousands of Dollars)

Province	Estates	As Estimated and Declared by Debtors			Realization Secured Creditors	Realizations (Pledged Assets Excepted) Costs and Dividends						
		Unpledged Assets	Unsecured Creditors	Deficit		Total Realization by Trustee	Legal Fees	Trustee Fees	Other Expenses	Total Admin. Expenses	Dividend – Unsecured Creditors	
											Preferred	Ordinary
Newfoundland	–	–	–	–	–	–	–	–	–	–	–	–
Prince Edward Island .	2	52	35	(17)	49	3	–	1	2	3	–	–
Nova Scotia	17	489	960	471	222	88	6	13	7	26	15	47
New Brunswick	8	322	344	22	138	115	11	14	22	47	19	49
Quebec	1,441	39,964	48,830	8,866	24,094	5,081	415	1,160	1,359	2,934	988	1,159
Ontario	593	36,370	35,786	(584)	21,752	5,487	469	938	823	2,230	1,009	2,248
Manitoba	38	1,261	2,077	816	751	340	19	43	43	105	48	187
Saskatchewan	7	103	170	67	15	19	1	6	2	9	3	7
Alberta	40	1,779	2,075	296	1,004	508	33	83	62	178	63	267
British Columbia	67	3,796	5,713	1,917	2,135	734	45	106	124	275	129	330
Total	2,213	84,136	95,990	11,854	50,160	12,375	999	2,364	2,444	5,807	2,274	4,294

Notes: 1. Assets and liabilities as declared by debtors tend to be unreliable as to completeness and valuation.
2. Most of the proceedings terminated in this year would have been initiated in prior years.

TABLE IX-2 – ESTATES CLOSED IN 1967. (ESTATES ADMINISTERED UNDER THE SUMMARY PROVISIONS OF THE ACT)
(In Thousands of Dollars)

Province	Estates	As Estimated and Declared by Debtors			Realization Secured Creditors	Realizations (Pledged Assets Excepted) Costs and Dividends						
		Unpledged Assets	Unsecured Creditors	Deficit		Total Realization by Trustee	Legal Fees	Trustee Fees	Other Expenses	Total Admin. Expenses	Dividend – Unsecured Creditors	
											Preferred	Ordinary
Newfoundland	–	–	–	–	–	–	–	–	–	–	–	–
Prince Edward Island .	3	21	31	10	22	1	–	1	–	1	–	–
Nova Scotia	5	11	50	39	10	1	–	1	–	1	–	–
New Brunswick	4	3	47	44	2	1	–	1	–	1	–	–
Quebec	1,975	2,646	18,765	16,119	2,432	1,081	32	629	207	868	48	165
Ontario	1,332	4,696	18,297	13,601	4,384	716	20	500	120	640	20	56
Manitoba	30	112	346	234	96	18	2	10	3	15	1	2
Saskatchewan	34	198	352	154	156	22	–	14	4	18	2	2
Alberta	79	246	891	645	221	73	1	30	7	38	3	32
British Columbia	64	130	725	595	120	34	–	15	6	21	2	11
Total	3,526	8,063	39,504	31,441	7,443	1,947	55	1,201	347	1,603	76	268

Notes: 1. Assets and liabilities as declared by debtors tend to be unreliable as to completeness and valuation.
2. Most of the proceedings terminated in this year would have been initiated in prior years.

TABLE IX-3 – ESTATES CLOSED IN 1967. (PROPOSALS)
(in Thousands of Dollars)

Province	Estates	As Estimated and Declared by Debtors			Realization Secured Creditors	Realizations (Pledged Assets Excepted) Costs and Dividends						
		Unpledged Assets	Unsecured Creditors	Deficit		Proceeds to trustee	Legal Fees	Trustee Fees	Other Expenses	Total Admin. Expenses	Dividend – Unsecured Creditors	
											Preferred	Ordinary
Newfoundland	–	–	–	–	–	–	–	–	–	–	–	–
Prince Edward Island .	1	1	4	3	–	3	–	–	–	–	–	3
Nova Scotia	–	–	–	–	–	–	–	–	–	–	–	–
New Brunswick	1	25	36	11	22	14	–	1	–	1	–	13
Quebec	307	19,585	13,854	(5,731)	7,438	2,774	45	335	209	589	379	1,806
Ontario	53	18,817	38,957	20,140	12,753	1,719	91	176	44	311	296	1,112
Manitoba	8	2,165	760	(1,405)	2,429	178	–	22	6	28	3	147
Saskatchewan	1	5	11	6	3	3	–	–	–	–	–	3
Alberta	1	380	341	(39)	16	94	–	11	26	37	–	57
British Columbia	8	2,113	1,462	(651)	1,246	191	2	11	71	84	26	81
Total	380	43,091	55,425	12,334	23,907	4,976	138	556	356	1,050	704	3,222

Notes: 1. Assets and liabilities as declared by debtors tend to be unreliable as to completeness and valuation.
2. Most of the proceedings terminated in this year would have been initiated in prior years.

Chapter 9
PART X OF THE BANKRUPTCY ACT

Orderly Payment of Debts (Sections 173 to 198)

Part X of the Bankruptcy Act sets out the provisions for the Orderly Payment of Debts. At the date of this report, the Governor-in-Council, at the request of the respective Lieutenant-Governors in Council, had proclaimed this Part to be in force in three Provinces.

<i>Province</i>	<i>Date Introduced</i>
Alberta	April 17, 1967
Manitoba	June 1, 1967
Prince Edward Island	March 28, 1968

Under Part X of the Bankruptcy Act, an insolvent person can apply by affidavit to the Clerk of the County or District Court for a "Consolidation Order". The Clerk will include therein the debts of the insolvent, and settle the amount of monthly instalments to be paid into court by the debtor. The Clerk then distributes this amount on a pro-rata basis to the creditors included in the Order. The Law does not allow for all classes of debts to be included; as for example, consent is required from the creditor where an individual debt is \$1,000 or more. Other types of debts not provided for by Part X are taxes, trade accounts and debts due to Her Majesty in right of Canada or a Province.

During the term of the Order, no creditor can proceed by way of garnishment or execution, in respect to debts covered by Part X. This is with the proviso that the debtor has made no default in the payment of the monthly instalments, and has otherwise abided by the Order.

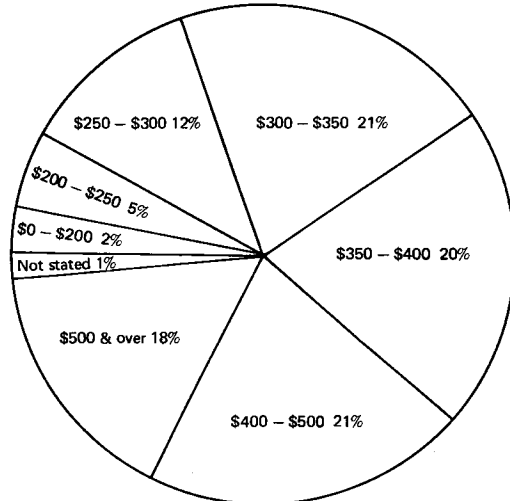
Copies of all affidavits and Consolidation Orders are sent to the office of the Superintendent of Bankruptcy where statistics are maintained.

The highlights of these statistics are reported in the tables and graphs printed below. During the period to December 31, 1967, the number of Consolidation Orders granted by Province were as follows:

Alberta	286
Manitoba	94
Prince Edward Island	-

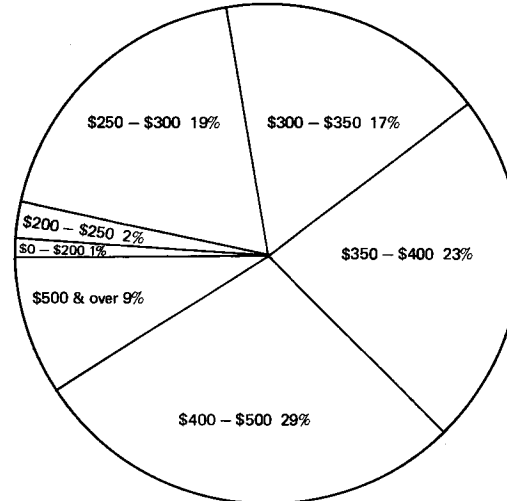
GRAPH IV
ORDERS GRANTED BY CLASSIFICATION OF MONTHLY FAMILY INCOME
PART X - 1967

ALBERTA
Income Class
and Number of
Consolidation Orders



ALBERTA	
Classification	No. of Orders
\$ 0 - \$200	4
200 - 250	15
250 - 300	35
300 - 350	60
350 - 400	58
400 - 500	60
500 and over	52
Not specified	2
TOTAL	286

MANITOBA
Income Class
and Number of
Consolidation Orders



MANITOBA	
Classification	No. of Orders
\$ 0 - \$200	1
200 - 250	2
250 - 300	18
300 - 350	16
350 - 400	22
400 - 500	27
500 and over	8
Not specified	Nil
TOTAL	94

TABLE X – NUMBER OF ORDERS GRANTED BY REPORTED LIABILITIES
PART X – 1967

Liabilities	Alberta	% of Total	Manitoba	% of Total
\$8,000 and over	6	2.3	–	–
\$7,000	22	7.7	–	–
\$6,000	13	4.6	2	2.2
\$5,000	29	10.2	4	4.2
\$4,000	51	17.5	10	10.6
\$3,000	88	30.5	34	36.1
\$2,000	61	21.4	32	34.1
\$1,000	12	4.2	11	11.7
not stated	4	1.6	1	1.1
Total orders	286	100%	94	100%

TABLE X-1 – ORDERS GRANTED CLASSIFIED BY THE AMOUNT OF MONTHLY PAYMENTS
PART X – 1967

Classification	Alberta No. of Orders	Manitoba No. of Orders
\$ 0 – \$ 20	32	11
20 – 30	63	10
30 – 40	100	57
40 – 50	30	5
50 – 60	22	2
60 – 70	14	1
70 – 80	6	2
80 – 90	4	–
90 – 100	4	–
100 – 150	4	–
150 – 200	5	–
200 and over	2	1
Not specified	–	5
Totals	286	94

TABLE X-2 – ORDERS GRANTED CLASSIFIED BY LENGTH OF MONTHLY PAYMENTS
PART X – 1967

Classification	Alberta No. of Orders	Manitoba No. of Orders
1 – 6 months	2	–
6 – 12 months	8	3
12 – 18 months	17	7
18 – 24 months	24	4
24 – 30 months	45	11
30 – 36 months	74	46
36 – 48 months	44	11
48 – 60 months	26	2
60 – 72 months	13	–
72 – 84 months	7	–
84 – 96 months	6	–
96 months and over	14	–
Not specified	6	10
Totals	286	94

Appendix**CURRENT LISTING OF BULLETINS TO TRUSTEES***Year 1966*

<i>Bulletin No.</i>	<i>Subject Matter</i>
1966-1	Statement of Affairs (Form 61)
1966-2	Joint Trustees
1966-3	Delegation of Duties and Granting of Signing Authorities
1966-4	Bill S-17, An Act to Amend the Bankruptcy Act
1966-5	Advances on Trustee's Remuneration
1966-6	Trustee's Performance Bonds
1966-7	Reorganization of the Bankruptcy Branch

Year 1967

1967-8	Submission of Statement of Receipts and Disbursements, Section 111 (Bankruptcy Act)
1967-9	Notice to Bankrupts of Duties and Status while Undischarged

Year 1968

1968-10	Amendments to Bankruptcy Rules and Forms at June 5, 1968
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