

Dominion Bureau of Statistics figures include failures of individuals such as wage-earners and farmers. A change in the method of computation is being investigated whereby separate data will be shown for insolvencies by wage-earners and farmers as distinct from industrial and commercial mortalities. The figures of assets and liabilities are estimates made by the debtor, and unfortunately are not made uniformly. The human element enters into them to a considerable degree and they should, therefore, be accepted with reservations.

The statistics given in Section 3 are compiled by Dun and Bradstreet, Incorporated. This mercantile agency is interested primarily in credit information and their statistics include bankruptcies in general, insolvencies under provincial companies' Acts and such proceedings as bulk sales, bailiffs' sales, landlords' seizures, etc., when loss to creditors results. On the other hand, the statistics do not include assignments of farmers (under the Farmers' Creditors Arrangement Act) or of wage-earners, so that, as a rule, the totals run lower than those in Section 2. Since between the years 1875 and 1919 the agencies, now Dun and Bradstreet, Incorporated, were the only source of figures of commercial failures, their statistics have an added value because they present a historical series back to 1915 though the basis of classification was changed after 1933. (see text preceding Table 7).

Section 1.—Administration of Bankrupt Estates

According to Sect. 91 of the British North America Act, "the exclusive legislative authority of the Parliament of Canada" extends to bankruptcy and insolvency legislation, and an Insolvency Act (32-33 Vict., c. 16) was passed by the Federal Parliament in 1869, and applied to the four original provinces. This Act was renewed by c. 46 of the Statutes of 1874. In 1875 a new Insolvency Act (38 Vict., c. 16) applicable to the whole of Canada was passed, but was repealed in 1880. After this there was no federal legislation on the subject of bankruptcy until the Bankruptcy Act, 1919, except that under the Winding-Up Act insolvency was one of the grounds upon which a company could be wound up. In addition to regulating bankruptcy proceedings, the Bankruptcy Act, 1919, contained a provision which enabled an insolvent person, prior to bankruptcy, to make a proposal to his creditors. This provision was abrogated in 1923 but was subsequently restored in part by the Companies' Creditors Arrangement Act, 1933, which, however, restricted its operations to incorporated companies. Somewhat similar legislation was made available to farmers under the Farmers' Creditors Arrangement Act, 1934. Federal insolvency legislation now comprises the Bankruptcy Act, the Farmers' Creditors Arrangement Act, the Companies' Creditors Arrangement Act and to some extent the Winding-Up Act. The two Arrangement Acts above referred to are designed to avert failure and the statistics in this Section and in Section 2, therefore, do not include proposals or arrangements under these Acts. When such proposals or arrangements are rejected by the creditors or fail in their purpose the proceedings may then come under the Bankruptcy Act, the bankruptcy provisions of the Farmers' Creditors Arrangement Act and in certain circumstances the Winding-Up Act. There are no provisions in the Companies' Creditors Arrangement Act for the liquidation or winding-up of insolvent companies.

The administration of bankrupt estates is supervised by the Superintendent of Bankruptcy (appointed in 1932) with the object of conserving as far as possible the assets of bankrupt estates for the benefit of the creditors.