

The Electricity Inspection Act and the Gas Inspection Act control the approval before sale and use of instruments used for billing of electricity and gas whether by meter or other type of device; they also provide for continual in-use inspection.

17.5 Bankruptcies and commercial failures

Two series of figures are included here which, although closely related as far as subject matter is concerned, cover different aspects of the field of bankruptcies and commercial failures. The first is limited to the supervision, by the Superintendent of Bankruptcy, of the administration of bankrupt estates under the Bankruptcy Act (RSC 1970, c.B-3); it gives information on the amounts realized from the assets as established by debtors and indicates that values actually paid to creditors are invariably very much lower than such estimates alone would imply. It can therefore be assumed that this applies in even greater degree to the more extended fields covered in the second section, compiled by Statistics Canada, which is limited to bankruptcies and insolvencies made under federal legislation and includes business failures only.

Administration of bankrupt estates. The Bankruptcy Act was last revised in 1949 and amended in 1966. The amendments were instigated by exposures and suggestions of illegal and improper practices in connection with bankruptcy proceedings or administration. They do not constitute a complete revision of the Bankruptcy Act but were designed to provide, as an interim measure, remedies to the most urgent areas of complaints. They provide the Superintendent of Bankruptcy with direct and immediate authority in the field of investigation and inquiry, and tighten the procedures and requirements in a number of areas, such as that of proposals which an insolvent person may make to his creditors. In other words, these amendments were intended to provide remedies in situations where it had been shown by experience that abuses of the bankruptcy process are most likely to occur. The amendments also contain a new Part X entitled "The Orderly Payment of Debts" which may be brought into force in any province at the request of the provincial authorities concerned. Six areas have taken advantage of this part of the legislation: Alberta on April 17, 1967, Manitoba on June 1, 1967, Saskatchewan on April 1, 1969, British Columbia on June 1, 1970, Nova Scotia on July 1, 1970, Prince Edward Island in April 1971 and the Northwest Territories in November 1972.

A new program called the Small Debtor Program was instituted in June 1972. While it is not an amendment to the Bankruptcy Act, it authorizes federal employees who have been appointed as trustees to handle the estates of certain wage-earners who cannot obtain the services of a private trustee.

A report issued annually by the Superintendent of Bankruptcy gives statistics and comments on various activities in the field of bankruptcy, such as prosecution for offences, issue of licences for trustees in bankruptcy, number of estates reported and closed during the year, and costs of bankruptcy administration in Canada. These data are summarized in Table 17.18.

Returns under the Bankruptcy and Winding-up Acts. Statistics Canada data on bankruptcies and insolvencies cover only failures coming under the federal Bankruptcy Act and the Winding-up Act. Figures cover business failures only. Table 17.19 gives yearly comparisons of liabilities — as estimated by debtors — for the main regions of the country. Table 17.20 shows the number of bankruptcies and insolvencies by industry and economic area for 1973.

Sources

- 17.1 - 17.2 Manufacturing and Primary Industries Division, Industry Statistics Branch, Statistics Canada.
- 17.3.1 Information Services Branch, Department of Industry, Trade and Commerce.
- 17.3.2 Supplied by the respective provincial government departments.
- 17.4.1 Information and Public Relations, Department of Consumer and Corporate Affairs.
- 17.4.2 The Standards Council of Canada; Information and Public Relations, Department of Consumer and Corporate Affairs.
- 17.5 Superintendent of Bankruptcy, Department of Consumer and Corporate Affairs; Business Finance Division, General Statistics Branch, Statistics Canada.