

BOND THEFTS FORCE A CRISIS IN INSURANCE

Three Companies Refuse to Write Policies to Cover Losses of Securities

J. S. Stock Exchange Firms Act—Brokers to Pledge \$1,000,000 for Company, With \$100,000 Liability Limit.

(New York Times.)

Thefts of Liberty bonds and other securities during the last year and a half have been so large that three surety companies carrying fidelity insurance for members of the New York Stock Exchange have refused to write the usual market bond for brokers, and this has necessitated the formation of a surety company among the stock exchange firms.

It is proposed to organize this new company with a capital of \$300,000 and surplus of \$300,000, and it is probable that the company can be placed in operation within a few days. The capital may be increased to \$1,000,000 shortly after incorporation if the additional capital is needed.

Two surety companies writing brokers' insurance will continue to write policies, and it is stated in a letter sent out by the Association of Stock Exchange Firms that these two companies will co-operate with the new organization of the commission houses. Policies are to be written on May 15, and the new agency was committed on the premises.

The Association of Stock Exchange Firms asserts also that there will be no action in the case of a temporary agency who steals securities.

Securities Recovered. Bond thefts in the last year have amounted to more than \$12,000,000, according to Assistant District Attorney John T. Dooling, but these figures have been repudiated by stock exchange firms and police officials. Members of the stock exchange committee asserted yesterday that while the thefts had been large, the recoveries had been large also, so that the insurance payments amounted to more than the losses.

W. J. Lahay, deputy police commissioner, said last night that he had not heard of the refusal of fidelity companies to insure Liberty bonds and other securities, and that no complaints had been made that police work in bond cases had been inefficient.

"In virtually all cases the thefts have been committed by messengers employed by the firms," he said. "Many of these messengers have been men with criminal records, who were employed without sufficient investigation. I have urged their greater care be exercised in choosing men who are to handle valuable securities."

It is admitted that losses during the year have been exceptionally large, but the stock exchange committee, "yet did the stock exchange committee a considerable proportion thereof, and they are appreciably diminished the loss sustained by the companies still leaving a moderate return out of the premium receipts."

Expect Better Protection. With the installation of the clearing house of the New York Stock Exchange and greater vigilance and care practised by stock exchange houses, it is confidently expected that succeeding years will have very much better results.

"It was originally intended to organize this company with a capital of \$500,000 and a surplus of \$500,000, which would admit of the writing of bonds to the amount of \$100,000. Of the proposed \$1,000,000 of capital and surplus, subscriptions are actually in hand for \$381,000. It is now proposed to organize with a capital of \$500,000 and a surplus of \$500,000, so that the company can be taken under way as a going concern without delay and its capital can be immediately increased to the proposed \$1,000,000 or more, if desired, very shortly after its original incorporation."

The committee has used every possible means to avoid the organization of a company, realizing the trouble and possibility which its management will impose upon those who are willing to undertake it, but in view of the fact that the rates being charged by fidelity companies, with the constantly diminishing protection furnished, no course was to be left open to the company, and as to safeguard themselves against incidents to and unavoidable in line of business, except through the organization of their own company.

While the amount of insurance that is written under the law will not be as much as some of the firms will have given by two fidelity companies, it is believed will be given by others, that they will reinsure surplus of insurance taken by this company, that is, acting in its capacity as agent, it is able to cover any reasonable amount of insurance which might be lost, and will derive profit from the surplus."

YS HORNE HAS LOST HIS REASON

Frederickton, N. B., May 1.—Sheriff J. B. Hawthorne of York county, upon his return after taking prisoners to the penitentiary at Dover, is quoted as saying today as declaring that Y. S. Horne, a former German army officer, who attempted to blow up the Canadian bridge over the St. John river, has gone insane. It is said that Horne has been working in the floor shop since he entered the penitentiary and has been a model prisoner. He will be deported to Germany, if the German government will take him.

A PRESSE ADDS A CENT TO THE PAPER

Montreal, May 1.—Beginning May 1 the price of the *La Presse* will be raised from two cents for the daily issue and one cent for the Sunday issue to two cents for the daily issue and two cents for the Sunday issue.

LOOKING FOR AERODROME.

It is expected by the board of trade representatives of the P. E. I. Aerodrome Co., Ltd., who operate the eastern Canada Air Lines, will be in the city next week to go further into the matter of securing a suitable site for an aerodrome.

Keep Your Victory Bonds Safe

It is unwise to keep your Victory Bonds around the house when you can get a Safety Deposit box in this Bank at very small cost where your securities (bonds, insurance policies, etc.) will always be safe—always easily accessible.

We gladly give full information about our Safety Deposit Boxes (different sizes), call in and see them.

Paid-up Capital \$ 9,700,000
Reserve Fund 18,000,000
Resources 228,000,000

THE BANK OF NOVA SCOTIA

111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 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