

GUARANTEE INSURANCE TRANSACTED IN CANADA LAST YEAR

Guarantee business was transacted in Canada last year, under the supervision of the Dominion insurance department, by 16 companies, of which seven were Canadian, four British and five United States. The total premiums received were \$564,096, guaranteeing an amount of \$153,105,282, and the net amount paid for claims was \$99,747, with unsettled claims amounting to \$125,015 outstanding at the end of the year.

The Guarantee Company of North America transacted business outside of the Dominion, which is not included in the above.

A surety claim man recently said:—"If the employers of men whom we bond would be more particular in making claims, it would facilitate the settlements of defalcations. I refer to the fact that it is frequently the case that employers in making claim for loss, confuse the issue by attributing to the defaulting employee losses of which there is no proof. When the surety company comes to make an investigation, it finds that while there is proof that the bonded employee has taken a portion of the amount charged against him, there is no proof to connect him with other defaults, which are claimed by his employer.

"This necessitates a rigid investigation on the part of the surety company and the looking over of books and records simply because the employer failed to eliminate items

in his claim on which there was no proof of the guilt of the bonded employee. The employee, on the other hand, is generally placed in an unfortunate position, because, knowing very well that he is guilty on a number of the accounts, it is hard for him to prove his innocence on others, of which perhaps he has no knowledge. Surety claim men say rightly that the employers in many cases where a default has occurred under a bond are of little assistance in proving the claim."

Surety claim inspectors have been taught by experience to regard it as a suspicious circumstance that any employee in a fiduciary capacity should be one of the kind to "boast" that he never took a vacation. As a matter of fact, long experience of the ways of defaulters has proved that, in many cases, a defaulter will not take a vacation in order that he may continue to cover up his speculations. For this reason a number of firms not only give their employees a vacation willingly, but even insist that everybody in their employ shall knock off work for not less than two weeks. It is frequently the case that the accounts of the firm are gone over to see that everything is all right, while the employees in question are away, and in this way defalcations have been frequently discovered.

Interesting articles on guarantee insurance will be printed in *The Monetary Times* Annual Review.

	Premiums of the Year	Number of Policies New and Renewed	Amount of Policies New and Renewed	Number of Policies in force in Canada at Date	Net Amount in force at Date	Losses incurred during the Year	Claims Paid
	\$		\$		\$	\$	\$
1912.							
American Surety Co.	33,016	4,873	10,689,875	4,314	10,096,376	2,228	3,259
Canada Accident	233	23	44,300	21	33,800	None.	None.
Dominion Gresham	25	6	16,400	6	16,400	None.	None.
Dominion of Canada Guarantee and Accident ...	34,739	2,468	12,804,951	2,135	12,420,377	9,688	7,971
Employers' Liability	47,169	2,700	14,516,357	2,381	11,350,537	23,998	16,998
Guarantee Co. of North America	54,899	.....	24,508,231	.....	19,275,685	15,899	15,572
Guardian Accident and Guarantee	1,536	121	953,550	119	725,350	249	None.
Imperial Guarantee and Accident	27,759	1,058	8,060,682	994	7,074,335	2,959	8,059
International Fidelity	6,127	1,199	611,000	1,100	561,500	1,056	1,056
London Guarantee and Accident	86,278	4,503	29,789,241	4,240	28,706,791	8,453	12,239
London and Lancashire Guarantee and Accident..	10,470	1,009	4,804,419	815	3,258,504	1,904	4,904
Maryland Casualty	13,746	233	2,388,790	178	2,240,892	351	None.
National Surety Co.	58,561	692	7,945,257	591	8,479,575	30,726	15,840
Ocean Accident and Guarantee	3,851	.....	1,171,900	.....	1,111,150	5,500	1,140
Railway Passengers	10,213	485	3,495,983	459	2,800,633	3,317	117
United States Fidelity and Guarantee	175,474	5,103	31,304,346	11,838	32,977,332	24,358	12,592
Totals	564,096	.....	153,105,282	.....	141,120,237	130,686	99,747

TRADE OUTLOOK IN WESTERN CANADA.

Monetary Times Office,
Montreal, October 29th.

Mr. Clarence F. Smith, who has returned from a trip of inspection of the branches of the Ames-Holden-McCready Company, of which he is general manager, is impressed with the view that next season will witness a trade revival throughout the west. At the present time there is depression, more especially in British Columbia.

Speaking more particularly of the business of the Ames-Holden-McCready Company, he said that the sales and profits of the present year would probably equal those of the past.

The company had a large stock of goods on hand at the beginning of this year, and this stock has been gradually diminishing. Meantime, the price of boots and shoes has increased and Mr. Smith is of the opinion that it will continue to increase. Leather is dearer than ever before and Mr. Smith quoted figures tending to show that prices are more likely to advance than decline in the near future. Owing to the policy pursued by the company, stocks at the end of the fiscal year will show considerable diminution as compared with the beginning.

The Ames-Holden-McCready Company has been developing a trade in the finer grades of shoes of late, and the output of the factory has met with a good reception in Montreal and the different cities. The sale of finer boots and shoes will probably show an increase.

As to the future, the outlook for next year's trade was promising. Orders for the spring are coming in satisfactorily and will equal in volume those of a year ago. Values

are gradually stiffening, but the company had set its prices in August and these are not being departed from.

When spoken to concerning the likelihood of a general setback in business, such as is being predicted in the United States and abroad, Mr. Smith replied that after passing through the west and noting the progress there and the opportunities open to immigrants, he could not reach any other conclusion than that this country is bound to go ahead no matter what happened other countries. Each immigrant meant a producer of the natural products of the country and a consumer of the manufactured products. The class of people being attracted was, on the whole, most satisfactory, and it might even be argued that depression in other countries would tend to cause the population to emigrate from these to Canada and thus result in a final benefit to us.

Further light was shed at Osgoode Hall, Toronto, upon the methods adopted by the promoters of the defunct Farmers Bank to secure the flotation of that ill-fated institution. Application was made before Master-in-Ordinary Alcorn for an order for the removal of the names of two Halton farmers from the list of shareholders, on the ground that the men had been induced, by misrepresentation and fraud, to subscribe for stock. Also, that they were entitled to relief because they had appealed to the courts, before the bank secured its charter, to have their names removed from the list of contributors. Further, that they had been prevented from prosecuting the proceedings started owing to the sharp practices of some of the promoters, who had gone so far as to wilfully mislead the courts. The master found the applicants' charges substantially correct, and allowed them the relief sought. This decision means a loss of \$27,000 to the liquidator.