whether a creditor is bound to disclose to a proposed surety the defaults of the debtor, is thus discussed:

It is now a well-established proposition of law that one who takes from a surety a guarantee or other security for the fidelity of an agent in his employment, is not, as in the case of a contract of marine insurance, under any obligation to disclose all facts material to be considered by the proposed surety. The case of *North British Insurance Co. v. Lloyd*, which has never been doubted, is a sufficient authority on this head. In *Davies v. London and Provincial Insurance Co.*, Mr. Justice Fry says:

> It has been argued here that the contract between the surety and the creditor is one of those contracts which I have spoken of as being *uberrimæ fidei*, and it has been held that such a contract can only be upheld in the case of there being the fullest disclosure by the intending creditor. I do not think that that proposition is sound in law. I think that, on the contrary, that contract is one in which there is no universal obligation to make disclosure, and therefore I shall not determine this case on that view. But I do think that the contract of suretyship is, as expressed by Lord Westbury in *Williams v. Bayley*, one which "should be based upon the free and voluntary agency of the individual who enters into it."

. . . I now proceed to call attention to some decisions in which it appears to have been considered, even as a matter of law, that there was no obligation on the intended creditor to disclose to the proposed surety defaults of the debtor, under circumstances like the present, in the course of previous and distinct employment, or even previously incurred and continuing liabilities under the same contract.

Wythes v. Labouchere was a case before Lord Chelmsford. After expressing approval of the decision of the Court of Exchequer in *North British Insurance Co. v. Lloyd*, the Lord Chancellor proceeds to say:

> The creditor is under no obligation to inform the intended surety of matters affecting the credit of the debtor, or of any circumstances unconnected with the transaction in which he is about to engage, which will render the position more hazardous.

In *Hamilton v. Watson*, Lord Campbell had previously laid down the rule to be that the creditor was not bound to exercise his judgment as to what it was material for the surety to know, and to that extent to make disclosure of everything to the proposed surety, saying:

> If such was the rule it would be indispensably necessary to the bankers to whom the security is to be given to state how the account has been kept; whether the debtor was in the habit of overdrawing; whether he was punctual in his dealings; whether he performed his promises in an honorable manner; for all these things were extremely material for the surety to know.

It is, however, not to be assumed that the case is alto-