JOURNAL OF COMMERCE
ESTABLISHED 1875

SHAREHOLDER
ESTABLISHED 1878

THE JOURNAL OF COMMERCE

With which is incorporated

The Shareholder

A Weekly Journal devoted to Finance, Banking, Insurance, Commerce, Industry and Transportation.

J. C. ROSS, M.A., Editor.

Published by The Industrial and Educational Press, Limited

Read Building, 45 St. Alexander Street, Montreal. Phone Main 2662

Toronto Office, 44-46 Lombard Street. Phone Main 6764.

Vol. LXXVI. MONTREAL, SATURDAY, SEPTEMBER 6, 1913 **No. 35**

PRINCIPAL CONTENTS.

DIRECTORS SHOULD DIRECT.

We often wonder why it is that men will strain every possible effort in order to obtain a place upon a board of directors and, once appointed, will go on their way supremely indifferent to the welfare of the company over whose destinies they are supposed to have control. It is no uncommon thing in Canada to see a man represented on the board of from twenty to thirty companies, while in the United States some of the big men are on the boards of scores of companies. In a great many cases, directors to direct and men appointed to positions of trust fathfully fulfill their obligations. We have many such men in Canada, but the history of our wrecked banks and industrial institutions of the past few decades show that there have been many men in Canada who were not of this calibre. Practically everyone of the banks which have failed in Canada have been the result of mismanagement and dishonesty on the part of the general manager or directors. In the cases where the general manager was at fault, the directors were almost equally guilty because of their indifference to what was taking place under their very eyes.

In ordinary circumstances, the man who is on the Board of twenty five or thirty companies cannot give the attention to them that they deserve. This neglect on the part of directors to direct is made all the more dangerous because of the indifference of the ordinary shareholder. At the annual general meeting of a bank or great corporation, but a dozen or two shareholders attend and while it is true that they are not encouraged to ask questions, they remain as dumb as the proverbial oyster and neither question or comment upon the line of action submitted to them by the directors. This policy of indifference pursued by our shareholders encourages directors to be equally careless for they know that under ordinary circumstances, their conducting of the company's affairs will not be questioned. The fact that they are custodians of the people's money does not worry those men who love to see their names in "Who's who" as being on the board of many companies. It is time, in