

doing justice to the directors as well as to all others, have spoken far more wisely and justly than most of those who have written on the subject in newspapers and periodicals, unburdened by any personal sense of responsibility in the matter. The Courts have recognized that due care on the part of the directors did not mean the same thing as a guaranty of the honesty of the cashier or other officers whom they intrusted with the affairs of the bank."

The judgment above referred to declares that while the directors are charged with the duty of reasonable supervision and the exercise of that degree of care which is exercised by ordinarily careful and prudent men acting under like circumstances, yet they are not insurers of the fidelity of the cashier and other agents whom they have appointed, and not responsible for losses resulting from their wrongful acts or omissions, if the directors themselves act in good faith and with ordinary care. The Court also holds that the directors are not bound, as a matter of law, to know all the affairs of the bank, or what its books or papers would shew; and that such knowledge cannot be imputed to them for the purpose of charging them with liability. The other cases on the subject generally sustain this doctrine, that the directors must exercise reasonable care and prudence; but the difficulty is to determine just what will constitute that. Since directors are not expected to give their whole time and attention to the business of the bank, they are entitled to commit the actual management of the business to their duly authorized officers. But they cannot be mere figureheads, and must still maintain a general supervision over the business, and have a general knowledge of the manner in which it is conducted. On the other hand, if the public should suppose that the directors of a bank exercised no function of care and watchfulness over its business few people would do business with that bank.

The judgment further says it is impossible to lay down definite rules to determine what constitutes due care. The Courts lay much stress on any facts shewing some ground of suspicion which the directors knew, or reason-