

known. What he ought to have known is just as important as what he knew. If directors act within their powers, if they act with such care as is reasonably to be expected from them, having regard to their knowledge and experience, and if they act honestly for the benefit of the company they represent, they discharge their equitable as well as their legal duty. The amount of care to be taken is difficult to define. It is plain that directors are not liable for all mistakes they may make, although if they had taken more care they might have avoided them. Their negligence must not be the omission to take all possible care, it must be more blameable than that, it must be in a business sense culpable and gross. The care, which in every case can reasonably be expected to be taken, is the measure of the care which the law requires in the absence of a contract.

The question, was it the duty of Mr. Cory, to test the accuracy or completeness of what he was told by the manager and chairman, is a question on which opinions may differ. We are not prepared to say that he failed in his legal duty. Business cannot be conducted on principles of distrust. Men in responsible positions must be trusted by those above them, as well as by those below them, until there is reason to distrust them. We agree that care and prudence do not involve distrust, but for a director acting honestly himself, to be held legally liable for negligence in trusting the officers under him not to conceal from him what they ought to report to him, appears to us to be laying too heavy a burden on honest business men.

STOCK EXCHANGE NOTES.

Wednesday, p.m., 30th August, 1899.

Stock values have been firm during the week with an advancing tendency, notwithstanding the threatening outlook in the Transvaal.

With this matter settled, a strong market might be looked for, but the fresh crop of rumour every few days, emphasizing the acuteness of the situation, the efforts of the bulls are neutralized and no maintained improvement in prices can be expected until the disturbing influence is removed.

The present uncertainty is very trying, and if war is to come, the sooner the better, says "the Street."

In the event of war the market might be expected to sell off on the announcement of the actual outbreak of hostilities, but it is not likely that there would be any serious slump and values would no doubt soon recover.

Money is working somewhat easier in London, where the discount rate is down to 3 1-4 per cent., but, in New York, the demand has been greater, with a slight stiffening in rates.

In Montreal there is no change and no immediate prospect of cheaper funds.

The quotation for Canadian Pacific has not fluctuated 1-2 per cent. during the week, the opening on Thursday last and closing to-day being 97 1-2. The London close to-day was at 99 7-8, an advance of 1-4 per cent as compared with a week ago.

Under ordinary circumstances the splendid increase

in net earnings just announced would have favorably affected the stock, but the Transvaal troubles have offset this. The net profit for the month of July shows an increase of \$242,272; and for the seven months ending 31st July, \$1,110,849.

This is at the rate of 2.90 per cent. per annum on the common stock more than was earned last year.

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Montreal Street Railway has gained 3-4 per cent. over the quotation of a week ago, the last sale to-day having been at 323 3-4.

The earnings for the week ending 26th inst., have been good and show an increase of \$4,868.44 over the corresponding week a year ago. These were as follows:

		Inc.
Sunday..	\$6,236 82	\$1,290 91
Monday..	5,471 80	323 56
Tuesday..	4,694 94	323 56
Wednesday..	4,770 22	444 64
Thursday..	5,039 70	810 40
Friday..	4,893 65	788 81
Saturday..	5,538 98	723 71

The number of shares which changed hands during the week was 673.

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Toronto Railway sold as high as 119 1-2 during the week, but closed to-day at 118, a net gain of one point. The stock has been more active than of late, and was dealt in to the extent of 789 shares.

The earnings for the week ending 26th inst., show an increase of \$2,703.81, as follows:

		Inc.
Sunday..	\$2,282 00	\$619 45
Monday..	4,008 70	492 77
Tuesday..	3,668	114 04
Wednesday..	3,885 15	120 06
Thursday..	4,067 49	467 42
Friday..	4,061 55	444 01
Saturday..	5,156 06	436 16

The earnings during the next two weeks will doubtless be heavy, owing to the Exhibition which is now being held.

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Twin City stock continues quite inactive, but notwithstanding this, is gradually becoming stronger. Sales to-day were made at 67, which is an improvement of 1 3-4 per cent. over a week ago.

The earnings for August bid fair to show a greater increase than for any month during the year up to the present time.

The increase for the third week of the month was \$811.92.

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Richelieu made a total gain of 3 points during the week, and sold as high as 114 1-2, but has since lost 1 point, closing to-day at 113 1-2. A rise is predicted for this stock owing to fine earnings.

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Montreal Gas has had a net rise of 4 points, and looks strong.

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And Royal Electric has also improved to the same