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**Responsibility of
Bank Directors
Defined by the
Privy Council.**

The Judicial Committee of the Privy Council has dismissed the appeal in the case of Prefontaine v. Grenier, thus giving a final judgment in favour of the defendant Grenier. The case arose out of the collapse of the Banque du Peuple of which bank Mr. Grenier was president. The plaintiff, who was a director of the bank, sued the defendant for the sum of \$8,625 which he had paid for his shares and \$45,914.89 which he had to pay as the result of the liquidation in respect of his liability as a director or member of "the corporation" of the bank, the members of which had the management of the institution and were jointly and severally responsible for all debts contracted by the corporation. Plaintiff based his claim upon the pretension: first, that he had been induced to buy more shares through false representations made by Grenier as president to the shareholders generally and himself in particular; and second, that Grenier had been guilty of negligence in the conduct of the affairs of the bank and so brought about the failure. The alleged false allegation was contained in the report which said: "All our agencies have been thoroughly inspected during the year," whereas only the country agencies had been inspected. It was also claimed that the report untrue represented the bank as having a reserve of \$600,000. Their Lordships held that the plaintiff's case with regard to the alleged misrepresentation failed on the facts.

**Charge of Negligence
not Substantiated.**

With regard to that part of the case based upon the charge of negligence, the plaintiff contended that the president being a salaried officer he should have known of the large over-drafts which brought about the failure of the bank. On this point the

court held that the modest scale of remuneration paid to the president, \$2,000 a year, was not consistent with the idea that he, a man of considerable position, and with a business of his own was expected to give his time and labour to the detailed control of the work of the bank. Their Lordships held that the charge of negligence had not been established. The judges deemed it unnecessary, therefore, to consider what might have been a difficult question in law, that is whether the defendant's obligation, which was primarily a contractual obligation could be made the ground of an action by an individual member of the corporation as distinguished from the bank in its entirety and from the smaller body, the directors or members of the corporation.

The judgment which strikes the lay mind as being sound in justice as well as in law will prevent an additional terror being added to those which afflict bank presidents and directors. Had the appeal been sustained it would have made those positions anything but attractive to business men, in fact, it would become difficult to get men of standing to serve as directors.

**The British Board
of Trade's Commission
to Canada.**

Mr. Richard Grigg, commissioner to Canada, of the British Board of Trade, has arrived in Montreal and will stay here about a week. Mr. Grigg's mission is to ascertain whether British goods are gaining or losing ground in competition with foreign goods in the Canadian market, and in the latter case to study the causes of their displacement, and also to ascertain what steps may be taken to enable British traders to meet foreign competition here. He will appoint correspondents in the principal Canadian cities who will keep the British Board of Trade posted on matters of interest to British traders.