1856.

Bowes v. City Toronto

defendant received, without any new agreement between him and the contractors, and therefore, as we must suppose, in pursuance of an understanding previously come to between them, the debentures for 50,000*l.*, which were issued in consequence of the adoption of the new measure.

I do not see how what was done by the parties can be reasonably accounted for upon any other supposition.

Judgment.

I do not think the learned judges below have stated at all too strongly the obligation which rests upon those who compose the governing body of a corporation to keep themselves free from such transactions on their own individual account as may place their private interest in conflict with their public duty; or that they have laid too much stress upon the injurious consequences which must result from a general disregard of the obligation; though they seem to have felt less difficulty than I confess I feel, as to the extent to which a court of equity can insist upon this salutary rule being observed. What I mean by this I shall endeavor hereafter to explain; only adding here that I apprehend there are many cases in which the directors of corporate bodies and persons acting in other public capacities are permitted to have transactions as individuals which it can be easily seen must, or at least may, have the effect of placing their own private interest in opposition to those public interests of which they are guardians.

In what has been said in pronouncing judgment in reference to the course pursued by the defendant in this particular case, I see nothing from which I would willingly be thought to differ—I mean in regard to its injurious tendency in shaking the confidence of all persons in the acts and resolutions of the council, and in impairing the confidence which ought to subsist between the mayor and