

European Assurance Society.

Established.....A. D. 1849.

Incorporated.....A. D. 1854.

Capital £1,000,000 Sterling.
Annual Income, over £330,000 Sterling.

THE ROYAL NAVAL AND MILITARY LIFE DE-
partment is under the Special Patronage of
Her Most Gracious Majesty
THE QUEEN.

The EUROPEAN is one of the largest LIFE ASSU-
RANCE Societies, (independent of its Guarantee Branch),
in Great Britain. It has paid over Two Millions Sterling,
in Claims and Bonuses, to representatives of Policy
Holders.

The Society have appointed the undersigned to be their
Agent for the Dominion of Canada.
Assurers are requested to pay their Renewal Life Pre-
miums as hitherto, either to him direct, or through any of
the various Agents of the Society in the country.

EDWARD RAWLINGS.

Chief Agent European Assurance Society, Montreal.

Agent in Toronto,

W. T. MASON,

15-1yr

ONTARIO HALL.

**Berkshire Life Insurance Company,
OF MASSACHUSETTS.**

MONTREAL OFFICE:

6 GREAT ST. JAMES STREET.

INCORPORATED 1851—SECURED BY LAW.

AMOUNT ISSUED \$7,000,000.
CASH ASSETS ONE MILLION DOLLARS.

\$100,000 deposited with the Receiver General of Massachu-
setts for the protection of Policy holders.

ANNUAL INCOME.....\$500,000.

\$100,000 divided this year in cash amongst its Policy
holders.

Montreal Board of Referees:—Hon. Geo. E. Cartier, Minis-
ter of Militia; Wm. Workman, Esq., President City Bank;
Hon. J. O. Bureau, M.C.S.; E. Hudson, Esq., & Co.; John
Torrance, Esq., Merchant; James Ferrier, Jr., Esq., Mer-
chant; Edward Carter, Esq., Q.C., M.L.A.; C. D. Proctor,
Esq., Merchant.

Examining Physicians:—J. Emery Codrille, M.D., Profes-
sor of Materia Medica, &c., &c., of the School of Medicine
and Surgery, Montreal, and of the Faculty of Medicine of the
University of Victoria College; William Wood Squire, A.M.,
M.D., Graduate of McGill College; Francis W. Campbell,
M.D., L.R.C.P., London.

For a sufficient test of merit we beg to state since the
commencement of this old and reliable company in Canada,
we have had the pleasure of insuring members of Parlia-
ment, some of the leading legal talent, and amongst
numerous others, several of the leading merchants in this
city.

This Company was the Pioneer Company of the non-
forfeiture principle, and still takes the lead for every Policy
it issues is non-forfeitable after one payment. The Com-
pany is now erecting a new stone building, five stories in
height, at the cost of \$100,000, similar to the Molson's
Bank of this city, but of much larger capacity, having 75
feet front, and 116 feet depth, containing three Banks,
some Express Offices, and the Post-Office, yielding about
\$8000 income, annually, all of which is the accumulating
property of every Policy-holder.

The Company has issued nearly 2,000 Policies since the
1st January, 1867, which is the largest number, in com-
parison to the expenses, of any Company in Europe or
America.

Such are the Results of the Cash System.

Full particulars, history of the Company, Rates, &c.,
can be obtained at the Managing Office for the Canadas.

EDW. R. TAYLOR & Co.,

20 Great St. James St. (over Pickup's News Office).

THE CANADIAN MONETARY TIMES AND
INSURANCE CHRONICLE is printed every Thursday
Evening, in time for the English Mail.

Subscription Price, one year, \$2, or \$3 in
American currency; Single copies, five cents each.
Casual advertisements will be charged ten cents
per line of solid nonpareil each insertion. All
letters to be addressed, "THE CANADIAN MONE-
TARY TIMES, TORONTO, ONT." Registered letters
so addressed are at the risk of the Publishers.
Cheques should be made payable to J. M. TROUT,
Business Manager, who will, in future, issue all
receipts for money.

The Canadian Monetary Times.

THURSDAY, SEPTEMBER 17, 1868.

**DUTIES AND RESPONSIBILITIES OF
DIRECTORS OF COMPANIES.**

The want of discrimination sometimes
shewn in selecting directors of companies,
and the readiness with which persons accept
office, wholly indifferent to the duties and
responsibilities thus incurred, is surpris-
ing. The gentlemen appointed are too often
nominated for their respectability alone, are
frequently among the smallest shareholders
of the concern, live possibly hundreds of
miles away from headquarters, and unwilling,
even if capable, of exercising any discrimi-
nating control over the management of the
common property. The embarrassments or
total ruin to which so many companies are
brought through the carelessness or crimi-
nality of the officers in whose hands the entire
management is allowed passively to remain
is properly chargeable to the men who are or
ought to be the shareholders' trustees, the
directors. Although directors are so often
culpable, still all the blame does not properly
rest on their shoulders, it primarily and
chiefly rests on those of the shareholders
themselves, who seldom attend general meet-
ings and vote ignorantly for whatever name
is proposed for the direction. Can it be
wondered at, then, that the supervision of
such boards should be little more than nomi-
nal, that the directors should practically con-
sider the purposes for which they are appoint-
ed that of attracting business by their indi-
vidual position, and that their duties are
limited to attending board meetings when
called upon, and discussing there such sub-
jects as the manager or secretary may choose
to bring before them.

We desire, as shortly as possible, to de-
scribe the responsibility which directors incur.
Towards the public, the board of direc-
tion represents—is, indeed, the company; all
contracts are entered into by their authority,
and they can render the company liable on

contracts to enormous amounts. But con-
sidering the magnitude of the interests and
number of the persons for whom they are
trustees, and to prevent reckless dealing with
money not their own, the joint stock acts
declare them jointly and severally liable for
all debts of the company in case they declare
a dividend when the company is insolvent, or
the payment of which would render the com-
pany insolvent, or have the effect of reducing
its capital stock, and also that they shall be
jointly and severally liable for the amount of
any loan made by them of the company's
funds to any shareholder.

As regards the shareholders, even without
any special agreement, the mere acceptance
of office implies an undertaking on the part
of directors with them to use their best exer-
tions fairly and honestly to advance the inte-
rests of the company, not to acquire any
interest adverse to such duty, and not to
make any profit from their office.

It has sometimes occurred when actions
have been prosecuted against directors for
false or misleading statements contained in
reports, or other official documents, that they
were entirely ignorant of the incorrectness of
such statements; sometimes through passive
inattention, in other cases through the falsi-
fications of the company's servants this has
proved to be the case. But the language of
the Judges is, in all cases, that it is the
bounden duty of directors to know the real
state of the company, and it is also their duty
to take care that the books are kept in such
a way that this state can be readily and cor-
rectly ascertained by others. It is the duty
of courts of justice to prevent men from
gaining advantages by representations of that
which is false or suppression of truth. In
many cases a true statement of the affairs of
companies, if as honestly published as the
law requires, would bring the concern into
public disrepute, while there is every proba-
bility that if confidence be retained for a few
months, all difficulties will be overcome. If
directors choose to make false statements for
this purpose, they themselves run the risk.
They are not at liberty to do evil that good
may come, even for a corporation without a
soul to be saved.

The directors are also responsible for
another reason. Shareholders, however in-
duced to become members of the company,
are liable, according to the terms of the cor-
porate agreement, for the debts of the com-
pany. If through the false statements of
outsiders, they have been induced to make
the bad investment, their only resource is, to
pay the amount of their liability and then
bring an action against the persons who have
caused the loss. A company is in no way
responsible for damage caused by unautho-