

The Legal News.

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LEGISLATION AT QUEBEC.

The Session goes on, and the legal members of the Assembly continue to introduce bills for the amendment of the Codes. It may be doubted whether a midsummer session is the most suitable occasion for effecting changes so numerous and important in the laws of the country. Many years were spent on the Codes, but what is built in a year may be pulled down in a night. Something of this sort seems to have occurred to Mr. Wurtele, for he has given notice of motion to amend the Standing Orders, so that it shall not be allowable to bring in bills to amend the Codes until after the following formalities have been observed:—

1st. The submitting the principle or nature of the amendment by motion to the House, and getting the expediency of considering it concurred in.

2nd. The reference of the proposed amendment to a standing committee for consideration of the subject and elaboration of a bill.

3rd. A favorable report, giving the reasons for recommending the adoption of the proposed amendment, accompanied by the draft of a bill prepared.

WHAT IS A PROMOTER ?

The *Law Journal* (London), in an article under this heading, says:—The duties and liabilities of the promoter of a company have of late years so rapidly developed, that he may now be considered fully created as a legal entity, subject always to his infancy being blighted by Courts of Appeal; and the history of his birth and growth may be clearly traced. In the beginning, the promoter, like the world, was legally without form and void, and he did his best to cover himself with darkness. It was to the interest of those persons who represented him in the flesh to assert his insignificance. He loudly protested that he was nobody; he was not a director, trustee, or agent of the company; he had

never put himself forward in any shape or form; and, if he ever had any existence entailing tangible duties, they all disappeared when the company was formed, as the chrysalis disappears when the butterfly spreads its wings. If he was anything at all, it was an honest capitalist who advanced money when no one else was able to do so, and who did a great deal of work for a very reasonable percentage. All this was very plausible; but still the hard fact remained that, while every one else had lost money over the company, the promoter alone had made money. This gave shareholders some confidence in the strength of the law to make promoters disgorge. Still, there were many legal difficulties in the way. Equity was thought more likely to assist the shareholder than Common Law: but in Lincoln's Inn there was a respectable body of opinion that the promoter would never be held to fill a fiduciary relation to the company. Men who have since risen to the bench thought that the doctrines of trusteeship had so far become stereotyped, as not to admit of this new development. The Courts, however, early began to decide against the promoter. Not only did they clothe him with the duty of the highest degree of good faith, but they pronounced him a trustee. The word was fatal. Calling a man a trustee is giving a dog a bad name; and it is a mercy to hang him at once. The promoter, when attacked, was not only deprived of his magnificent profits, but was even stripped of his commission; and in one case it became a question, when the company offered its promoter, out of charity, a reasonable remuneration in its own statement of claim, whether the Court would sanction such a compounding with the evil one.

The case of the *Emma Silver Mining Company v. Lewis & Son*, decided last week, is the latest of the series of cases in which the war has been carried into the promoter's camp. It may be said to be the apex of the pyramid, of which the *New Sombrero Company v. Erlanger*, 48 Law J. Rep. Chanc. 73, is the base, *Bagnall v. Carlton*, 47 Law J. Rep. Chanc. 30, is the middle. The Sombrero case decides that a promoter is in a fiduciary relation to the Company, this finally putting an end to the doubts which have been expressed on the point. This relation being established, the Court of Appeal