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COMMENTARY ON THE BANK ACT OF 1890. (1)

CHAPTER II.

MANAGEMENT.

SECT. I.—BOARD OF DIRECTORS. GENERAL FUNCTIONS.

46. It is customary in the incorporating act to confer upon the directors in broad phraseology the general power to conduct and manage the corporate business. This language is practically only a recognition of the functions which the board would be entitled and called upon to exercise by the rules of the common law, and does not operate to enlarge those functions or to designate them with any greater particularity. Nor can the duty thus conferred be construed as a requisition upon the directors to undertake the performance, in person, of all the acts called for by the daily routine of the business of the bank. It extends to such matters only as are usually and conveniently allotted to the charge of directors in the banking business. Some such acts they must perform, others they may perform. But the obligation is measured by a uniform usage prevailing among banks universally. Their personal execution may be restricted to the matters thus designated, unless others be specifically named or added in the law. Besides a variety of specific acts which they must initiate or wholly do, this uniform usage imposes upon them the general superintendence and active management of the corporate "stock, property, affairs and concerns." (2) They are bound to know all that is done, beyond the most matter of routine; and they are bound to know the system and rules arranged for its doing. For this purpose the books, correspondence and funds of the bank are at all times subject to their inspection (3).

(1) Copyrighted.

2. Section 19. See *McDonald v. Rankin*. (3) Section 46