

porations. See for example of an old-fashioned joint stock company the case of *Womersley v. Merritt* (1867) L.R. 4 Eq. 695. The most important difference was the inability of the shareholders, except at stated intervals in general meetings, to interfere with its concerns or to bind the company; a power belonging to members of a partnership. In fact joint stock companies were formed with the expressed idea of allowing their members to participate in the profits without being liable for the losses, a condition of affairs naturally following from the fact that they had no real voice in the management and no control as to who should or who should not be admitted into the concern.

The relationship of the shareholders inter se is not identical with their rights and obligations towards the entity known as the company, nor are the rights and obligations of the company enforceable against the individual shareholders in a limited company. Each partner is the agent of his co-partners, but no such position is enjoyed by shareholders towards each other, nor is a shareholder the agent of the company: *Burnes v. Pennell* (1849) 2 H.L.C. 497. The shareholder has merely a defined and aliquot part in the assets which belong in law to the company as such, and his interference is limited to such matters as are permitted by the special or general Act which governs his company. The immediate superintendence of the company's affairs is delegated to a portion of the members called directors. Their position is that of agents merely and they are the only agents competent to bind the company. But they are joint agents and can only bind the company, speaking generally, when they act in a duly constituted meeting, and then by a majority when such a provision exists for their governance. It is true that in certain corporations and under certain conditions the acts of some directors holding defined positions, which carry with them stated powers, can, within the scope of these powers, bind the company. The relation of the directors to the company, and through it to the shareholders, do include matters which are not merely affairs of agency; but the principle of agency runs through all ideas of their responsibility and must