56. A method frequently resorted to for securing the fidelity of directors in the exercise of their duties is to require them to own in their own right and unincumbered a certain amount of the corporate stock. Imperfect as this must be, as a check upon men of large property, it is perhaps the best available plan, and it has been adopted in the present Act. A provision to this effect is to be found in section 19, sub-section 2, which declares that each director shall own stock on which at least "three thousand dollars has been paid up, when the paid-up capital thereof is one million dollars or less; four thousand dollars paid up when the paid-up capital thereof is over one million and does not exceed three millions, and five thousand dollars paid up when the paid-up capital thereof exceeds three millions."

57. Control over the Bank's Property.—Directors can use the funds and property of the bank only for proper banking purposes, and for the strict furtherance of the business objects and financial prosperity of the corporation (1). Their discretion and power to manage its affairs extend only to the conducting those affairs in the best manner that their knowledge, foresight and observation can suggest, to the end of increasing the profits and enhancing the value of the investments which have been entrusted to their charge by others. They cannot use any portion of the money for such objects of usefulness or charity, or the like, as they may consider worthy of encouragement and aid. All their transactions must be strict matters of business. They cannot make gifts from the corporate property. They cannot, without authority from the stockholders, subscribe money to any objects, however meritorious, unless with the immediate view and expectation of thereby furthering the actual worldly and material well-being of the bank. They are trustees of the property of others for this sole and only purpose, and if they appropriate any portion of the property for any other purpose, whatsoever, however intrinsically deserving, it is yet a deviation from their obvious duty, both legal and moral, for it is nothing else than a clear breach of a plain and simple trust. Such an act, if upon its face perfectly regular, and within the scope of the directorial authority, and if the circumstances did not affect third parties with notice of its wrongfulness, would, as toward such parties, bind the bank. But if the real nature of the act were known to the outsider he

(1) See McDonald v. Rankin.