

if that is made to a public and general meeting, although there be no order to publish it either by the directors or the body at large from the very nature of the case, it must be made public (1).

A great number of cases, more or less distinguishable from each other in some of their details, are collected in the work already mentioned, as also in a recent work by Mr. Buckley, the third edition of which appeared in 1879, but without going into them, it may be gathered from what we have already observed that if representations made in a report should turn out to be false and to have caused injury, there is abundant authority for holding that such a representation is a representation made to the outside public, for which the directors, and in certain cases the corporation itself, may be held liable.

With regard to the personal liability on the part of the directors, in certain cases, there can be no manner of doubt. The 99 section of the present Act says that every president, vice-president, director, principal partner *en commandite*, auditor, manager, cashier, or other officer of the Bank, who prepares, signs, approves or concurs in the making of any false or deceptive statement, or uses the same with intent to deceive or mislead any person, shall be responsible for all damages sustained by such person, in consequence thereof, and shall be further liable to imprisonment for a term not exceeding two years. Here we have both criminal and civil responsibility, the latter expressly extended to Bank directors. This is only a reiteration of the common law rules, as declared in article 1053 of the Civil Code of the Province of Quebec, that "Every person capable of discerning right from wrong is responsible for the damage caused by his fault to another, whether by positive act, imprudence, neglect, or want of skill."

LIABILITY TO SHAREHOLDERS INDIVIDUALLY.—The right to sue directors for malfeasance in office, whereby loss accrues to the shareholders, is often expressly given to the shareholders by statutory enactment, though, without doubt, it exists at common law in the absence of legislative intervention. Errors of judgment, unless so gross as to resemble fraud, or to render the acceptance of office practically a fraud, by reason of entire incapacity and unfitness for it, give no right of action. But any fraudulent act or any breach or neglect of charter provisions, whereby loss is entailed

(1) *Per Kindersley V. C. National Patent Steam Fuel Co. v. Worth*, 4 D. & W. 529.