

they seem" is particularly applicable to the construction of statutes, I think I should carry even this principle too far, and should be legislating, if I read "any person" as meaning "any person residing in the county."

The motion is dismissed with costs.

MIDDLETON, J.

JUNE 2ND, 1910.

RE QUEEN CITY PLATE GLASS CO.

EASTMURE'S CASE.

Company—Salary of President—Sanction of Shareholders—General Meeting—Ontario Companies Act, sec. 88—Quantum Meruit—Winding-up—Claim for Money Illegally Paid as Salary.

Appeal by A. L. Eastmure from the certificate of an Official Referee, upon a reference for the winding-up of the company, of his finding that the appellant had become liable or accountable for \$1,100 of the company's money paid to him for salary as president.

H. M. Mowat, K.C., for the appellant.

W. G. Thurston, K.C., for the liquidator.

MIDDLETON, J.:—This appeal fails. The statute requires the sanction of the shareholders at a general meeting to a by-law of the directors before payment of the president or any director is permitted. In my view, this prohibits payment unless the statute has been complied with.

There must, in the first place, be a directors' by-law, and this must be followed by "confirmation" at a general meeting. This implies some resolution or by-law passed at such a meeting.

I accept as the principle applicable the opinion of Street, J., in *Birney v. Toronto Milk Co.*, 5 O. L. R. 1. at p. 6. This section (sec. 88 of the Ontario Companies Act, 7 Edw. VII. ch. 34) should be given a broad and wholesome interpretation, and should be held wide enough to prevent a president and board of directors from voting to themselves, or any one or more of themselves, any remuneration whether for any services rendered to the company without the authority of a general meeting of the shareholders.

Assuming that the director in question can establish that every shareholder of the company was at the time content to pay the salary in question, that is not what is required by the statute. "The provision of the statute must be lived up to and the rigour