

by the statutory delegation of the management of all corporate affairs to the board. Management is not identical with execution, and does not intend execution. Checks are drawn, notes and bills endorsed, deposits received, drafts paid, and the like transactions conducted as matter of course by the appropriate customary officers, without any authorizing vote of the directorial board. These matters do not constitute the "management" of the bank, nor interfere with the "control" of its affairs. They are properly the medium through which that management and control are introduced into practical transactions (1).

53. DIRECTORS AS TRUSTEES.—The high degree of confidence and responsibility resting upon directors of corporations has often led courts to regard them as trustees, and to declare the relationship existing between them and the stockholders to be that of trustees and *custis que trustent*, respectively. If this can be asserted with regard to the generality of corporations, it is peculiarly and exceptionally true with regard to banking corporations, in whose solvency the whole neighboring community must be at least indirectly interested. A bank of issue may properly be regarded as a quasi-public corporation. The directors of a bank are not trustees for the shareholders alone, but they owe an even earlier duty to the depositors, and, where the bank exercises the privilege of circulation, still a prior duty to the public at large. The law is, as it ought to be, very zealous in exacting the strict and thorough performance of these duties, and it is in the scrutiny of possible breaches of them that the rigid rules which govern trustees have been applied (2). It is not enough to exculpate a director that no actual dishonesty can be shown, that he cannot be positively proved to have been influenced by interested motives. Like a trustee he is absolutely prohibited from the performance of those questionable acts, wherein his conduct may be wholly free from blame, but where the bias of self interest is strong and may influence him even without his own recognition of the fact. A director, who wishes to keep completely within the protection of the law, must look to something more than the mere integrity of his own intentions. The law is obliged to forbid a certain general class of actions in which the temptation is so great that it is wisely regarded as better

(1) *MacDonald v. Rankin*.

(2) See *Drake v. Bank of Toronto*, 9 Chy. T. C. 134 *Vankoughnet C.*