It must be remembered that the shareholder while helping to elect his agents is not, by the very constitution of the company, liable for that agent's mistakes and only suffers where they are serious enough to involve his individual share. He reaps the benefit however of that agent's successes to the full. Can he then quarrel with an exact distribution of the liability for the losses when he insists upon having the profit which flows from the aggregate ability and faithfulness of all his agents and their co-workers?

This may serve as an explanation of the views laid down by judges in determining liability in case of losses caused, not by all, but by some of the agents to whom has been rightfully given a certain, and perhaps a controlling share, in the actual management of a company's affairs.

Speaking generally the test of liability must, for its solution, involve a consideration not only of the actual facts which occur, but of the method of dealing with them at the time they do occur, and the knowledge, actual or imputed, then possessed by those who have to determine the action taken. And this test must not be based on what one learned judge calls "the easy but fallacious standard of subsequent events."

The position of directors has been likened to that of trustees. That their office is one of trust, which, if undertaken, must be performed fully and entirely, is the statement of Lord Romilly in *York and North Midland Railway Company* v. *Hudson* (1853) 16 Beav. 485, 491: and, in respect to the capital of the company which is under their management, it has been said that they are "quasi-trustees": *Flitcroft's Case* (1882) 21 C.D. 519, 534. These somewhat general definitions are more fully explained in other cases. In *Great Eastern Railway Company* v. *Turner* (1872) 8 Ch. 149, 152, Lord Selborne thus expresses his view:—

"The directors are the mere trustees or agents of the company—trustees of the company's money and property—agents in the transactions which they enter into on behalf of the company,"