

be the final test by which they are to be judged. Kekewich, J., in *Re Liverpool Household Stores* (1890) 59 L.J. Ch. 616, says that the responsibility of directors rests for its ultimate sanction on the broad basis of the law respecting principal and agent.

To accept the position of agent is to burden oneself with many responsibilities. But they are limited to such as come within the scope of the agency. If an agent is elected as one of a number it is fairly obvious that all cannot act in everything. Each must have his assigned duty and if due care is taken in allocating the work and in seeing that it is performed, the joint executive action would seem to be fairly outside the realm of criticism. Where there are hundreds of shareholders, having each a defined share in the company's assets, the employment of the aggregate capital means, if money is to be made, an infinite multiplication of small operations, each of which involves in its turn smaller details of work either manual, executive, financial, or co-operative. The consequences of these have to be worked out with infinite patience and skill and the results presented for ultimate action.

If this is all done by ideal persons and in a flawless manner the final outcome must be good. The work described cannot, however, be all done by directors; they must act through and by others; they must necessarily trust those others, not merely for the financial results, but for the practical doing of the work and for its faithful report. Even those who are actually the executive officers and who have to take a part antecedent to the final action, must rely on those under them. The chain of responsibility ends somewhere and must also begin somewhere. Where then is exactly to be found the actual responsibility? That is the weak point in the cable, a weakness almost inevitable in all concerted human action. What also is the exact measure of that responsibility? It must be admitted that both vary according to the position, means of knowledge, honesty, actual participation and time of those involved. And, as they do vary, then the law, looking into the actual facts, must determine with due regard to what really exists, and not upon the popular and probably very natural generalization from broad premises.