respect. *Pennoyer v. Neff* (1877) 95 U. S. 714. Nor was there any offense to the dignity or sovereignty of any foreign country, nor any attempt to exercise in that country any attribute of sovereignty, since the consul serving notice acted as a mere messenger whose function was to notify and not coerce.

For discussion of the case and problems raised see: note (1931) 40 YALE L. J. 1325; note (1931) MICH. L. REV. 137. For a discussion of the Walsh Act see note (1927) 27 COL. L. REV. 204. V. P. K., '33.

CORPORATIONS—ACCOUNTING PRACTICES—STATUTE IMPOSING INDIVIDUAL LIABILITY AS PENALTY.—The statutes of Massachusetts require that corporations submit each year a statement of their financial status, subscribed by the president, treasurer and a majority of the directors. Mass. Gen. Laws (1921) c. 156 secs. 36 and 47. If a false return is made, the subscribers can be held individually liable for the corporate debts. Mass. Gen. Laws (1921) *ibid.* The application of this unique law (peculiar to Massachusetts) is illustrated in the case of *United Oil Co., Inc. v. Eager Transportation Co. et al.* (Mass. 1930) 173 N. E. 692. The statement to be returned must include a balance sheet listing as specifically provided by Mass. Gen. Laws (1921) c. 156 sec. 47, assets such as machinery, furniture, and liabilities such as reserve and capital stock. The defendant corporation complied with the statute by listing as assets items including "autos, trucks and teams" and as liabilities "reserves." As there was no separate account for depreciation on "autos, trucks and teams," it was placed indiscriminately in "reserve." The court deemed the balance sheet false because there was no such differentiation and held the defendant individually liable on the plaintiff's debt claim, on the theory that persons who might deal with the company might be misled into believing that it had attachable assets worth $14,735, whereas less the depreciation, the "trucks" etc., were worth only $1,000.

This conclusion of the court seems rather difficult to sustain. The statute requires only a listing of "reserve" with which provision there was exact compliance, no provision being made requiring a separation of reserve for depreciation on each asset. Nor do the cases cited by the court support its finding. *Heard v. Pictorial Press* (1903) 182 Mass. 530, 65 N. W. 901, is a case in which the directors knowingly valued $10,000 in patent rights as worth $120,000. In the *Empire Laboratories, Inc. v. Golden Distributing Corporation* (1929) 266 Mass. 418, 164 N. E. 772, $47,000 in advances were listed as tangible merchandise. Both of the above cases clearly show fraudulent practices. Then, too, in the instant case the defendants were following an accepted accounting practice, regarded in making use of a general "reserve" account. To obtain the actual value of the assets, only the deduction of the reserve amount from the total depreciable asset is necessary. Admittedly, it would be more convenient to designate separately each reserve, but it is certainly not fraudulent nor deserving of penalty to use such a widely sanctioned method. J. G. G., '32.