

should pay the loss arising on the sale. The ship was accordingly sold, and there remained a deficiency of over £7,000. The defendant, being unable to pay this sum, had an interview with the plaintiffs, when he was informed that his agent was claiming a commission from the plaintiffs, and they then pressed him to pay a sum however small on account of the £7,000, and he then paid them £1. This the plaintiffs claimed was a waiver of the right of the defendant to object to the plaintiffs paying a commission to the defendant's agent; but the Court of Appeal held that it was not, because all the facts were not disclosed to the defendant, and particularly the circumstance that the bargain to pay the agent the commission had been made before the contract was entered into by the defendant, and they held that, notwithstanding all that had taken place, the defendant was still entitled to repudiate the transaction altogether.

That of course was a different case from *Webb v. McDermott*. In both cases, however, the ratification of an illegal act was in question, in the one case notice that the payment was to be made was held to be sufficient to estop the plaintiffs from disputing their agent's right to retain a profit illegally bargained for in fraud of his principals, whereas in the English case, the Court founded itself on the well settled principle that there can be no valid ratification of a contract tainted by fraud which is based on a mere constructive notice of the facts, but that a full and actual knowledge of all the facts is necessary.

The decision in *Webb v. McDermott* seems to us to be unsound, and to undermine the very salutary principle that an agent who bargains for a bribe cannot hold it against his principal without his express consent, after full disclosure of all material facts, and to sanction the idea that agents may successfully bargain for benefits over and above what their principals have agreed to pay them. For even though it be true that the plaintiffs in that case elected not to repudiate the contract after knowledge that a commission was being paid by the purchasers to the plaintiffs' agent, that fact does not really seem to be any ground for denying the plaintiffs' right to say to their agent "the only benefit you are entitled to out of this transaction is what we agreed to give you, and whatever you have received or bargained for over and above that is ours, not yours." The commission paid the agent being in truth