

meaning, and without expressing any opinion as to the sense in which it was used in the statute in question, still there was no proof or allegation of any fraud or illegality to displace the privilege, and the order for production was accordingly reversed.

CONTRACT—SALE OF GOODS—PRINCIPAL AND AGENT—UNDISCLOSED PRINCIPAL—RATIFICATION.

Keighley v. Durant (1901) A.C. 240, is an important decision of the House of Lords on the law of principal and agent. The case was called in the Court below *Durant v. Roberts* (1900) 1 Q.B. 629, (noted ante vol. 36, p. 328) and may be remembered as having given rise to a very marked difference of opinion among the members of the Court of Appeal. Their Lordships (Lord Halsbury, L.C., and Lords Macnaghten, Shand, James, Davey, Brampton, Robertson, and Lindley) unanimously adopt the view of Smith, M.R., in preference to that of Collins and Romer, L.JJ., the other members of the Court of Appeal. The question was whether a contract made by a person intending to contract on behalf of a third party, but without his authority, can be ratified by such third party so as to render him able to sue, or be sued, on the contract, where the person who made the contract did not, at the time of making it, profess to be acting on behalf of a principal. The House of Lords have answered the question emphatically in the negative.

TRUSTEE—BREACH OF TRUST—LOAN—DISCHARGE—LIABILITY OF DEBTOR NOTWITHSTANDING DISCHARGE.

Smith v. Patrick (1901) A.C. 282, although an appeal from a Scotch Court, is nevertheless to be noted as dealing with principles which are applicable also to English law. A partner of a firm died and nominated his wife and two of the three other partners trustees of his will, and he authorized his trustees to allow his share of the capital to remain as a loan to the firm so long as his trustees thought it safe to do so. The wife died. The amount of the testator's share of the capital was ascertained and continued as a loan to the firm. The third partner, not a trustee, retired from the firm and withdrew his share of the capital. The trustees, the two remaining partners, assumed all the debts and liabilities of the firm, and paid half a year's interest on the debt due to the trust estate. A year after the retirement of the third partner, the trustees granted to the firm and the retired partner a discharge of the debt due to the trust estate, and about a month afterwards the