

A. I had, but I do not know what quality he was acting in I had an interview with him when the company was first formed; it was just starting. Mr. Parent sent for me when Mr. Matheny was here. He then asked if I would form a company for the Silver Plume Mine.

Q. Mention what passed at that interview, and at what price the property was put down?

A. I will qualify my last answer. I saw Mr. Matheny, I went to see Mr. Parent, and Mr. Matheny was there, and he wanted us to float the Silver Plume Mining Company, and he offered us the mine if we would open it out with a million dollars capital. He was to receive \$200,000 of stock, and the balance \$800,000 he said Mr. Parent and myself were to have to float the company.

Q. You yourself were to have how much?

A. \$200,000 of the stock, and Mr. Parent was to get \$200,000 of stock, and the balance of the \$800,000 was to pay Mr. Matheny and to float the company.

Q. You were to pay no money, were you?

A. No.

Q. And the property was to be turned over to the company?

A. Yes.

Q. And it was to represent a capital of how much?

A. Of one million dollars.

Q. Did you accept or refuse that proposition?

A. I refused it on certain grounds. We were to take our \$800,000 of stock, and we were to sell certain shares.

Q. And you refused it?

A. I refused it.

Q. Supposing that proposition had been accepted, in what proportion would the money have been furnished by the promoters and by the general public?

A. The general public would have furnished all the money, and the promoters of the company would have made the profits to be made out of it.

That is, they would have gained all but \$15,000. Mr. Dorion says, however, that Parent had nothing to do with the organization of the association. Still Mr. Dorion takes credit to himself for having offered Crowley back his property, and that he refused it. Why this zeal, real or affected, for Parent's credit?

I fully concur with the learned judge in the

Court below, that "a very clear case of fraud has been made out," but appellant argues that, even admitting this to be true, the knowledge of the fraud is not brought home to him, and that even if Parent were cognizant of the fraud, he, Chretien, is not responsible for the fraudulent reticence of his agent.

It is a startling proposition that a party can, under any circumstances, profit by the fraud of his agent because the principal is not privy to it. Appellant's argument is this, that when the agent only suppresses a fact which he knew, and which the principal did not know, and which the principal was only obliged to disclose in case he knew it, there is no fraud of which the purchaser can take to advantage; that the purchaser has no right to profit by the accidental knowledge of the intermediary. It seems to me that this is a fallacy. I cannot see how the legal effect of the knowledge of the agent who transacts my business can be distinguished from my knowledge, with regard to one fact more than with regard to another. I am presumed to know what he knows, for it is by his eyes and ears I carry on my business. I cannot think there can be any doubt on this point in our law, and in English law it seems to be authoritatively decided. *Story, Agency, No. 139, 139 a and 140.* In one case Lord Justice Bramwell said: "I think that every person who authorizes another to act for him in the making of any contract, undertakes for the absence of fraud in that person in the execution of the authority given, as much as he undertakes for its absence in himself when he makes the contract."

Another point urged is that if there be a fraudulent misrepresentation, and the party complaining did not act upon it but acted independently of it, he cannot take advantage of the fraud. The general proposition is indisputable, but it does not apply here. What is contended is that the whole available sources of information were poisoned.

There is another view of the case. If fraud were not clearly established, substantial error remains. The scrip purported to be that of a corporate body: no such body existed. This would be sufficient under our law to annul a contract for want of consent.

The judgment is confirmed.

J. E. Robidoux for Appellant.

Barnard, Beauchamp & Creighton for Respondent.