

principle itself is universal in its application to these cases of contract. It affects not merely the parties to the agreement, but it affects also those who induce others to enter into it. *It applies not merely to cases where the statements were known to be false by those who made them, but to cases where statements false in fact were made by persons who believed them to be true, if in the due discharge of their duty they ought to have known, or if they had formerly known and ought to have remembered the fact which negatives the representation made.* A strong illustration of this is to be found in the case of *Burrows v. Lock*, 10 Ves. 470, and in my opinion, as I held in the case of *Money v. Jordan*, 15 Beav. 372, this principle applies to all representations made on the faith of which other persons enter into engagements, so that, whether the representation was true or false at the the time when it was made, he who made it shall not only be restrained from falsifying it thereafter, but shall, if necessary, be compelled to make good the truth of that which he asserted."

In the case of *Money v. Jordan*, above referred to, Lord Romilly said at p. 377: "The principle of the law was, that a man was responsible for his solemn statement, if made with the view of inducing another to act upon it. The doctrine of the common law, in matters of warranty, is but another branch and illustration of the same doctrine. Equity in following this doctrine of common law has, I apprehend, done so to this extent: it does not stay to enquire whether in such cases the statement made were false or true; but if a deliberate statement be made by one person to another who, believing that statement to be true, and upon the faith of it, enters into engagements, the person who made the statement shall not be permitted by any act of his to falsify it; nay more, he shall be compelled, as far as lies within his power, to make good the statement he asserted to be true."

In the present case the learned Judge found that the plaintiffs had represented to the defendant that the principal was not indebted or in default, when in fact he was;