

that I could not recover the price unless—" "My Lord," was the instant reply, "the section only applies to things of the value of £10"—a retort keenly appreciated by all who had seen the Judge's steed. Or, again, a few may remember how Byles, even a stickler for the punctilious observance by counsel of the strictest orthodoxy in the matter of dress, administered this reproof to the late Lord Coleridge when at the Bar: "Mr. Coleridge, I never listen with any pleasure to the arguments of counsel whose legs are encased in light grey trousers."—*Law Times*.

PRINCIPAL'S LIABILITY FOR AGENT'S FRAUD.

It is scarcely possible to overrate the importance of the decision of the House of Lords in the recent case of *Lloyd v. Grace, Smith & Co.*, 107 L.T. Rep. 531, not only to solicitors—the class of employers which, of course, it primarily affects—but also to all other persons who stand in the relation of principal to agent. When it is seen from the headnote to our report what that decision was, it will be recognized how far-reaching may be its consequences: "An innocent principal is civilly responsible for the fraud of his authorized agent, acting within his authority, to the same extent as if it was his own fraud, even though the principal has not profited in any way by the fraud." The concluding phrase comprises the essential part of the proposition of law. For in the Court of Appeal a difference of opinion arose by reason of the words "for the master's benefit" in the judgment of the Exchequer Chamber in the oft-cited case of *Barwick v. English Joint Stock Bank*, 16 L.T. Rep. 461, L. Rep. 2 Ex. 259. That judgment was delivered by Mr. Justice Willes on behalf of himself and the six other learned judges of which the court consisted. And the principle as there enunciated was in these terms: "The general rule is that the master is answerable for every such wrong of the servant or agent as is committed in the course of the service and for the master's benefit, though no express command or privity of the master be proved." Lord Justice Farwell, in giving judgment in the Court of Appeal in *Lloyd's* case (*ubi sup.*), laid the utmost stress on the words "and for the master's benefit."