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WHEN A SEAL IS NECESSARY FOR THE PURPOSE OF AUTHENTICATING A CONTRACT OF EMPLOY- MENT MADE BY A CORPORATION.

1. English common law doctrine and its limitations.
2. Same subject discussed in relation to corporations created for special purposes.
3. Same principles applicable whether unsealed contract was executed or executory.
4. Common law rule modified by legislation.
5. American doctrine as to the use of the corporate seal.

1. English common law doctrine and its limitations.—The general rule is that a body corporate is not bound by any contract which is not under its corporate seal¹. But this rule has from the earliest traceable periods been subject to certain exceptions; and various decisions in the older reports shew conclusively that one of these exceptions had relation to the hiring of inferior servants². "The principle to be collected from those decisions is, that an appointment under seal was not necessary in the case of officers or ser-

¹ Lindley, Companies, 5th ed. p. 220; Addison, Contr. 11th ed. p. 345.

"The rule of the law is clear; that *prima facie* and for general purposes a corporation can only contract under seal, for the proper legal mode of authenticating the act of a corporation is by means of its seal." *Austin v. Guardians of Bethnal Green* (1874) L.R. 9 C.P. 91; per Coleridge, C.J.

For a general review of the authorities as to the rule requiring the affixing of the corporate seal to corporate contracts, see Story, Agency, 9th ed. § 53, last note.

Even a resolution of the members of the body corporate is not equivalent to an instrument under its seal. Lindley, Companies, p. 221.

² A corporation may have ploughmen and servants of husbandry, butlers, cooks, and such like, without retainer by deed. 4 H. 7, 17, cited in *Arnold v. Poole* (1842) 4 Man. & G. 860, (p. 878).

A dean and chapter may retain a bailiff, receiver, or other servants without writing (i.e. writing under seal). 4 H. 7, 6 cited in *Arnold v. Poole*, *ubi supra*.

In *Angell & Ames, Corp.* § 281, the following authorities are cited as shewing that it was established at an early period that a corporation might appoint agents of little importance, as a cook, a butler, or a bailiff to