

FIRST DIVISIONAL COURT.

DECEMBER 19TH, 1919.

*McLAUGHLIN v. GENTLES.

Principal and Agent—Authority of Agent—Action against Undisclosed Principals—Limitation of Authority—Revocation—Knowledge of Person Giving Credit to Agent—General Agency.

Appeal by the defendants other than the defendant Chisholm from the judgment of LENNOX, J., at the trial, of the 18th June, 1919. The action was brought to recover the price of goods sold and delivered by the plaintiff. The trial Judge gave judgment for the plaintiff for \$939.77 against all the defendants, and directed the appellants to pay Chisholm's costs of defence.

The appeal was heard by MEREDITH, C.J.O., MACLAREN, MAGEE, and HODGINS, JJ.A.

H. J. Scott, K.C., for the appellant Drayton.

T. R. Ferguson, for the appellants Gentles, Burton, and Millar.

A. J. Russell Snow, K.C., for the plaintiff, respondent.

T. J. Agar, for the defendant Chisholm.

HODGINS, J.A., reading the judgment of the Court, said that it appeared that the plaintiff knew nothing of the fact that the defendant Chisholm was a member of a syndicate or was acting for others, when the goods were sold and delivered. He had now, however, elected to sue the syndicate, which of course included Chisholm.

The whole sum of \$2,000 had been expended for goods supplied previously to the opening of the account with the plaintiff; and, if the appellants were now made liable, it must be upon the sole ground that the plaintiff was not bound by the limitation placed by the principals upon the agent.

If Chisholm was a general agent for the appellants, there would be no liability: *Miles v. McIlwraith* (1883), 8 App. Cas. 120.

Whether the authority of Chisholm was limited or not, the authority was to go upon the property to engage in operations which were in the nature of mining or exploration and to order such things as were reasonably necessary for that purpose. The limitation did not restrict his authority, so far as third persons were concerned, except that it was to cease when a certain amount had been expended. Up to that limit he was the agent of the appellants to do such acts as were necessary for the purpose for which he went upon the ground; and, so far as the goods in question were concerned, they would, apart from the limitation, have been equally necessary whether he was to take out such ore as was really