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LIABILITY FOR MISREPRESENTATION.

The principle established by the case of *Collen* v. *Wright* (1857) 8 E. & B. 647, seems to be one of those developments of our mercantile law due to the exigencies of business. That every person assuming to act as the agent of another, should be held to impliedly warrant that he has the authority which he holds himself out to have, is only reasonable. Much of the business of the world is done through agents, the exact scope of whose authority it is often difficult for those dealing with them to ascertain; and business transactions would often be paralyzed, if there was a possibility that in bargains made with persons assuming to be agents for others, neither they nor their alleged principals would be bound. A person assuming to act as an agent may be reasonably supposed to know the nature and extent of his authority, and it is not imposing any undue liability on him, to hold that when he assumes to act as agent he also impliedly assumes a liability in damages to those who enter into transactions with him, on the faith that he is what he represents himself to be, in case that representation turns out to be untrue.

The principle is stated, by Mr. Justice Story in his commentaries on the Law of Agency, to be "a plain-principle of justice; for every person so acting for another, by a natural, if not by a necessary implication, holds himself out as having competent authority to do the act, and he thereby draws the other party into a reciprocal engagement." Ch. X., s. 364. And it was considered by their Lordships of the Judicial Committee of the Privy Council that *Collen* v. *Wright* had settled the law upon the subject in conformity with the view of Mr. Justice Story.

In *Collen* v. *Wright* a person representing himself to be agent of another person made a lease in the name of his alleged principal. It afterwards turned out that he had no authority to make