

Authority of the Agent to bind the Principal on a Written Contract.

"Corporations must act through agents, and it is immaterial whether the agent, if duly authorized to act as such, is or is not a stockholder."

Fox v Spring Lake Iron Co. 89 Mich. 387, 50 N.W. 872.

This citation of course raises the question of "due authorization" in the instant case, which will be answered later on. Suffice it to say here that one is "duly authorized" whom the corporation holds out to the world, by allowing him to transact all of its business because for it, is its agent or representative.

"In an action against a corporation for attorney's services, it was not necessary that plaintiff should show that the secretary by whom the attorney was employed, was authorized by a by-law or a formal resolution of the corporation's board of directors to make such contract on behalf of the corporation."

Kelly v Benv. Assn. 2 Cal. App. 400, 84 Pac. 321.

That is, if the hirer or contractor is held out as the agent and his hiring or contract is in furtherance of the corporate interests of which he has charge, the corporation is liable. And that the contract is in writing or is verbal is inconsequential; the writing is but testimony of what the contract—the meeting of the minds—really is.

"One director of a reduction company was authorized by the board to take entire charge of the business of the corporation. He did so, and also contracted as agent to operate a mine. Held, that, REGARDLESS OF ANY ACTUAL APPOINTMENT OF THE DIRECTOR AS AGENT, the company was bound by his contracts regarding the mine, as being made within the apparent scope of his authority."

Robinson Red. Co. v Johnson, 10 Col. App. 135, 50 Pac. 215.

It is always the "seeming" to be the agent, no matter what otherwise the corporation may have withheld from the "seeming" agent in the way of authority, that binds the corporation by the "seeming" agent's acts. In the instant case, from the facts disclosed to the brief-writer, the man Orr was conducting the business of the Republic Co. for a period of years, and conducting the whole of it as far as the world was concerned; that being so his authority can not now be pretended to be limited by the corporation by no matter what apparent failure to authorize him formally to make this, that or another agreement, or even alleging that it forbade him to make that agreement, the other party being ignorant of such inhibition. Thus,

"Where the agent etc. had authority to contract generally etc. he had the right, in the ABSENCE OF NOTICE TO PLAINTIFFS etc. to agree to pay etc."

Fisk etc. v Reed 32 Col. 506, 77 Pac. 240.

"The superintendent of a w/w/co. had APPARENT authority to contract with its customers, THOUGH IN FACT HIS AUTHORITY WAS LIMITED BY THE BY-LAWS OF THE CO. to making contracts at the regular rates, WHICH WERE KNOWN TO THE PUBLIC, THOUGH THE LIMITATION OF THE SUP'S. AUTHORITY WAS NOT KNOWN. Plaintiff made a special contract with the sup., knowing that the rate charged was below the usual rate, BUT NOT KNOWING OF THE SUP'S. LACK OF AUTHORITY. Held, that the contract being within the APPARENT AUTHORITY of the superintendent, was binding on the company."

Milledgeville Water Co. v Edwards, 121 Ga. 555, 49 S.E. 621.

Whatever conscionable criticism may be directed at the holding, the theory of holding the company liable for the acts of its agent acting within the APPARENT scope of his authority is above criticism, the latter being aimed at a policy that favored one consumer at the expense of another, the former having knowledge of the limitation that hedged him but which the agent transcended.

"While a president, or other officer, of a corporation may have no authority by virtue of his office, or by express sanction of the board of directors, to incur obligations in behalf of the corporation, yet if he is held out by the managers, in the general course of business, as being the agent of