

depend upon the nature of the business as conducted and as authorized by the articles, particularly that portion thereof, that empower the authorized agent to "do all other things that are usually done by such a corporation" It will hardly be disputed that one of the most important adjuncts to any business, newspaper, other publishing business or what not, is, to increase the volume of its sales, or the number of its subscribers, provided always that the increase be attained in a perfectly legitimate manner. No one has denied the right of a publisher to lawfully give away premiums to new customers in return for their patronage, and until that method of increasing sales is shown to be unlawful, can it be said that a managing agent, no matter of what trading business has no right to offer prizes to new customers, or to old ones the volume of whose sales (Advertising in the case of a newspaper) is sought thereby to be increased. So that as long as the business in question is of a trading nature, the managing agent may, nay, must do everything lawfully within his power to distance his competitor. That is what the contract in the instant case sought to do and to say that it is not within the purview of the Articles of Incorporation is to say that the corporation, no matter through what species of legal formality, resolutions, by laws etc. could not adopt any unusual measures no matter how lawful, to increase its business. But it is a matter of common knowledge that newspapers all over the country in divers ways seek to increase their advertising and reading clientele, by distributing prizes to the holders of coupons clipped from their papers, said coupons being redeemable in money, books or what not of value to the holder. Only when the method of distribution approximates a lottery is the plan frowned upon and declared illegal by the courts. The result is that the plan bought by Orr from the plaintiff being legal, it was one he had authority to contract for because it tended in his opinion to increase the profits of the business of which he was the apparent manager and agent. That being so, the company is bound by such contract in accordance with every principle of right as gathered from all the judicial authorities in such premises, and particularly as deducible from the facts that give rise to the indisputable principle of law controlling in the matter.

✓ "An officer of a corporation, having general management, may make a contract necessary or usual in its business, OR REASONABLY INCIDENT THERETO, without authority first being given therefor by formal vote of the directors; and the authority may be inferred from the conduct of the directors, or their knowledge of the facts and failure to object."

Lowe v Ring, 115 Wis. 575, 92 N.W. 238.

The fact that the "officer" had general management of the business is of no moment, of course; any person with seeming authority to act would by his permitted conduct with the public about the business in hand, bind the company in exactly the same way.

✓ Now what is "reasonably incident" to a business depends upon the character of the business being considered. The manager of a newspaper would have no right to buy or contract for stock in a rolling mill and bind the company by that contract, the directors of the newspaper denying their authorization. But he would be entitled to contract for paper on which to print the "paper" and do countless other things "reasonably incident" to the business of which he is the manager. So that it may safely be said that a contract by the seeming manager whereby it is hoped to increase the profits of the enterprise—as is the purpose of the contract with the plaintiff in the instant case—is one "reasonably incident" to the business and to which the company will be bound, whatever their opinion of the merits of the contract. The Supreme Court of the U.S. thus enunciates the doctrine.

"To render a corporation liable for the torts" (or of course for any act of ~~his~~) "of its agents, the act in question must be performed in the course and within the scope of the agent's employment in the business of the principal, though it is not essential that the authority should be under seal or by a vote of the directors, nor that the act should be strictly within the corporate powers, where it is assumed to be performed for the corporation and by the corporate agents, who had authority, EITHER EXPRESS OR IMPLIED, to act in regard to the general subject-matter."

Wash. Gas L. Co. v Lansden, 172 U.S. 534, 19 S.Ct. 296, 43 L.Ed. 543.