Principal and Agent - Unincorporated Associations - Non-Profit Seeking Group

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dispute was one between an employer and a union to which none of the employees of the disputant belonged. In each case the court decided that process should issue as requested by the employer, that there could be no labor dispute even under the recent statute, except where employees of the particular employer were parties to the dispute, although others than the employees might participate in the struggle. *United Electric Coal Companies v. Rice*, 80 F. (2d) 1 (C.C.A. 7th, 1935); *Lauf v. E. G. Shinner & Co.*, 82 F. (2d) 68 (C.C.A. 7th, 1936).

The Wisconsin statute is not literally identical with the federal act. *Cf.* Wris. Stat. (1935) § 103.62 (3). The policy behind the Wisconsin statute, as interpreted by the Wisconsin court, permits labor unions to affect contractual relationships among many persons not directly interested in union affairs. Perhaps the statute was meant to prescribe exactly that. There is, nevertheless, some difference of opinion as to what it was meant to cover. And there is some reason to suggest that a statute prescribing a policy as broad as that recognized in the instant case violates the due process clause of the Fourteenth Amendment. The Supreme Court as now constituted has stood by earlier decisions of the Court on minimum wage legislation which the Court felt did interfere with bargainings between employers and employees. *Morehead v. Tipaldo*, 56 Sup. Ct. 918, 80 L.ed. 921 (1936).

**Principal and Agent—Unincorporated Associations—Non-profit Seeking Group.**—An action was brought by the plaintiff, an art works concern, against a state political committee, its chairman and three other committee members for services rendered the committee under a contract. Plaintiff sought to hold the individual defendants personally responsible. The petition alleged that the committee had been organized to promote the election of a certain gubernatorial candidate; that to advertise and promote his candidacy, the contract with the plaintiff had been made by the committee through its duly appointed campaign manager; that the contract had been fully performed by the plaintiff, but that the defendants had failed to pay. Testimony at the trial showed that the manager had notified the creditor in making the contract that he would not be responsible, that he had told the plaintiff that the committee was "good for it." A demurrer to the plaintiff's evidence was sustained. On appeal, *held*, judgment affirmed. Only those members of an unincorporated political association who authorized or ratified the transaction are liable on a contract made in behalf of the committee. There was no proof that any member of the committee knew that the manager made the contract with the intention of binding the members individually, or that any member ratified or thereafter assented to his liability thereon. *American Art Works, Inc. v. Republican State Committee*, (Okla. 1936) 60 P. (2d) 786.

An action to enforce a liability incurred by a voluntary unincorporated association must be brought against its individual members. *Crawley v. American Society of Equity*, 153 Wis. 13, 139 N.W. 734 (1913). It is a generally accepted rule that members of a voluntary association engaged in business to make a profit are personally liable on a contract made in behalf of the association, provided that the contract is within the scope of the association's business and was entered into with actual or apparent authority. See *Azzolina v. Order of Sons of Italy*, (Conn. 1935) 179 Atl. 201; *Schumacher v. Sunner Telephone Co.*, 161 Iowa 326, 142 N.W. 1034 (1913); *McCabe v. Goodfellow*, 133 N.Y. 89, 30 N.E. 728, 17 L.R.A. 204 (1892). But where the object of the association is not business or profit there is a division of authority as to what circumstances
render individual members personally liable on association contracts. Courts agree that members who expressly authorize or subsequently ratify an association obligation are liable on account of it. *Ash v. Guie*, 97 Pa. 493, 39 Am. Rep. 818 (1881); *Stege v. Louisville Courier Journal Co.*, 196 Ky. 795, 245 S.W. 504 (1922); *Azzolina v. Order of Sons of Italy*, *supra*; *Schumacher v. Sumner Telephone Co.*, *supra*. The difficulty arises in most cases where there is no express authorization or ratification; here is the diversity of decision. The Missouri Court of Appeals for St. Louis has held that where the chairman of a political committee assumes to act for the committee in hiring a person, but is not actually authorized to do so, individual members are not liable for the services rendered, although the services are within the scope of the association's purposes. *Owen v. Hadley*, 186 Mo. App. 1, 171 S.W. 973 (1914). It has been held that members of a non-trading unincorporated telephone company are not individually liable for money loaned to the company's manager for company business on the ground that borrowing money was outside the ordinary incidents of the business in question and because no express authority was given. *Schumacher v. Sumner Telephone Co.*, *supra*. Members of a committee for a Confederate reunion have been held not personally liable for materials furnished the committee, on the ground that the plaintiff knew the only funds the committee had were obtainable from popular subscription. *Little Rock Manufacturing Co. v. Kavanaugh*, 111 Ark. 575, 164 S.W. 289, 51 L.R.A. (N.S.) 406 (1914). And in New York an action for services rendered by an attorney employed by the president of a law enforcement league to carry out prosecutions under laws which the league was formed to enforce could not be maintained against an officer of the league, since there was nothing in the organization of the association to indicate that members should be liable for debts transacted by officers or committees. *McCabe v. Goodfellow*, *supra*. These cases relieve individual members from responsibility either on the ground that they did not expressly or impliedly authorize the various contracts or that there was no particular fact to show that the members of the association expected to pledge their personal responsibility for association debts. Other cases hold that members of a voluntary association by the very fact of membership are personally liable for debts incurred for association purposes during their membership. In Connecticut the Supreme Court of Errors in holding members of a fraternal lodge personally liable to sureties who were compelled to pay the lodge's notes, said: "A person may authorize the obligation arising from a contract either by becoming or remaining a member knowing that such a contract would be reasonable and proper in order to carry out the purposes for which the association was formed. . . ." *Azzolina v. Order of Sons of Italy*, *supra*. The Wisconsin court has used the same sort of language. A complaint against defendants as members of a voluntary unincorporated religious society for a debt of the society contracted by trustees who had power to incur debts for the association was held to state a valid cause of action against members of the society individually. *Sheey v. Blake*, 72 Wis. 411, 39 N.W. 479 (1888). In a more recent case, wherein the plaintiff had done printing for a political committee promoting a senatorial candidacy, and had relied on the committee for payment, facts strikingly similar to those of the principal case, the Wisconsin court, holding the members of the committee individually liable for the debt, stated: "Each member of a voluntary association is liable for the debts thereof if incurred during his period of membership and contracted for the purpose of carrying out the objects for which the association was formed." *Vader v. Ballou*, 151 Wis. 577, 139 N.W. 413 (1913); see also *Crawley v. American Society of Equity*, *supra*; cf. *Vader v. Ballou*, *supra*, with the principal case.

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