

## Recent Legal Decisions.

(Communicated by Mr. Frederic Hague, B. C. L.)

PROVINCE OF QUEBEC CASE, JUDGMENT OF PRIVY COUNCIL.

La Banque du Peuple and the Quebec Bank, v. Bryant, Powis and Bryant, Ltd.

*Principal and agent—Power of Attorney—Power to borrow must be express—Indorsement of bills “per pro.”*

HELD: that an agent who is authorized by his power to make contracts of sale and purchase, charter vessels and employ servants, and as incidental thereto to do certain specified acts, including indorsement of bills and other acts for the purpose therein aforesaid, but not including the borrowing of money, cannot borrow on behalf of his principal or bind him by contract of loan, such acts not being necessary for the declared purpose of the power.

Where an agent accepts or indorses “per pro” the taker of a bill or note so accepted or indorsed is bound to inquire as to the extent of the agent's authority; where an agent has such authority, his abuse of it does not affect a *bona-fide* holder for value.

The suit of La Banque du Peuple was based upon two promissory notes made by S. W. & Co., to the order of B. P. & B., and indorsed by D. in their name purporting to sign as their agent. The notes were pledged by D. with the bank as collateral security for a loan to himself.

The Superior Court held that D.'s power of attorney was in force at the date of the indorsement, but by its terms no authority was given to him to borrow money or to contract loans, and, consequently there was no authority to pledge the promissory notes. The Appellate Court by a majority decided that he had such authority. This latter judgment is now reversed by the Privy Council.

The appeal of the Quebec Bank was on a suit brought on two bills of exchange for £1,000 drawn by J. S. M. & Co., and indorsed before acceptance by them, and by D. in the name of B. P. & B. and as their agent, and discounted by the Bank in the ordinary course of business.