

The notes sued on were signed as follows: "For the Farmers' Trading Company, Limited, G.A.J.A. Marshall, managing director." There was no by-law, resolution or other act expressly defining the powers or duties of the managing director. A by-law provided that cheques were to be signed by the president or vice-president, and countersigned by the managing director or secretary. Another by-law authorized the directors to borrow money from a bank, and empowered the president and the managing director or secretary to sign promissory notes therefor on behalf of the company. There was no other by-law in relation to the making, acceptance or indorsement of notes, bills or cheques.

Marshall had been accustomed to buy goods for the company's business, not only from Crighton, but also from other parties, and to give notes in the same form for the prices, and many of such notes had been paid by the company's cheques. A rubber stamp kept in the company's office was used for impressing the words "For the Farmers' Trading Company, Ltd.," and "Managing Director," when notes were signed, bills accepted, or cheques indorsed.

The cheques were usually signed by the president in blank and left for Marshall to fill up and sign, and the stubs showed what they were given for. A record of bills payable was kept in the company's office, and auditors were from time to time appointed by the directors. The auditors, or any other persons examining the books, would have seen that Marshall was in the habit of giving notes for the company, but there was no direct evidence of knowledge on the part of the shareholders or directors, other than Marshall, of his course in these matters. His evidence was that he never told them of the course of business, and that they had left everything to him, but that he could not say whether they had such knowledge or not.

Sec. 62 of the Act under which the defendant company was incorporated, provides that a promissory note made by an agent or officer of a company "in general accordance with his powers as such officer under the by-laws of the company, or otherwise," shall be binding on the company.

*Held*, following Lindley on Partnership, 6th ed., p. 135; *In re Cunningham & Co.*, 3 Ch.D. 532, and *Bryant, etc., Limited v. Quebec Bank*, [1893] A.C. 179, that the proper inference from the facts proved was that Marshall had authority to sign the notes in question, and that the defendants were liable upon them.

*Anderson and Ormond*, for plaintiffs. *Cooper, K.C.* and *Taylor*, for defendants