

There is no doubt that several interviews took place with Mr. Kilvert. Mr. James Cosgrave says that in July he asked Kilvert to advance \$125,000, and that the latter said it was a new proposition and would have to be submitted to the directors. Mr. Mossop says Mr. Kilvert said he would have to further consider this proposal, and he (Mossop) understood this meant he would have to consult some other authority. Mr. Kilvert says he had no authority to make the advance they were asking without the sanction of the head office; that he never submitted the application to the head office; and was never authorized to make the advance. This is corroborated by Mr. Turnbull, the general manager. I think the case fails upon this ground alone. The plaintiffs were dealing with an agent with limited authority, and were expressly told by the agent that he could not make the advance without the sanction of the directors or head office. As the plaintiffs themselves say, it is thus incumbent upon them to shew that the bank, through its directors or proper authority at the head office, authorized the agent to make the advance; the contrary of this has been proved.

The case might have been different had there been a general holding out by the defendants of their agent to make agreements of the kind contended for by the plaintiffs, and the agreement had been satisfactorily proved.

I am not overlooking the fact that the plaintiffs say they were led to suppose the matter had been sanctioned at the head office, when, as they put it, the arrangement would go through if the plaintiffs contributed the \$50,000, leaving the advance to be \$75,000.

This is not the case of the plaintiffs having the right to suppose the agent was not exceeding his authority, or there being a secret limitation of authority, but a case where the plaintiffs were aware that no such advance could be made by the agent without the express sanction by the principal: Bowstead on Agency, 3rd ed., p. 274.

In *Forman v. The Liddesdale*, [1900] A. C. 190, it is said that where the plaintiffs did not really know the extent of the agent's authority, it was their business to learn it, and they were bound by the restrictions which existed between the principal and the agent. See also *Leake on Contracts*, 5th ed., p. 347.

I think, in the second place, that no such completed arrangement has been proved as could be enforced, even had Mr. Kilvert authority to enter into it.