

London, England, as above mentioned), on the 18th of February, 1890, made a promissory note, in the name of Bryant, Powis & Bryant, to the order of J. S. Murphy & Co., for the sum of \$1,100, payable three months after date. John S. Murphy & Co. endorsed it to the plaintiffs, and, at maturity, it was protested for non-payment, and this action was brought on same by the plaintiffs.

At the trial in Quebec, Judge Andrews held that, under the power of attorney from the defendants to Davies, Davies had authority to sign promissory notes with the name of the defendants. Of course, as between them, this authority was restricted to an honest exercise of it on their behalf in connection with their own affairs. As regards the public, however, the rule is different. "Whenever the very act of the agent is authorized by the terms of the power, that is, whenever, by comparing the act done by the agent with the words of the power, power to act is in itself warranted by the terms used, such act is binding on the constituent. As to all dealing in good faith with the agent, such persons are not bound to inquire into the facts *aliunde*. The apparent authority is the real authority." "In like manner, if the written authority apparently justifies the act, it is no objection that the agent has secretly applied his authority to other purposes than those for which it was given; as if, having authority to make notes in the principal's name in managing his business, the agent should make such notes for secret purposes of a different nature, which could not be known to other persons dealing with him." "So the principal will be bound in all cases where there is a misappropriation of funds obtained under a power exercised by the agent in conformity with his authority, unless the holder had notice; and however much an agent may betray his trust, a *bonâ fide* holder of the bill or note, without notice, may hold the principal liable. The principal would, therefore, be bound on an accommodation endorsement made by the agent in his name, in the general scope of agency, to a *bonâ fide* holder without notice." The Court held that the evidence in this case negatived notice to the plaintiff, that Davies was exceeding his authority, or, in any way, acting improperly; and that the power of attorney from the defendant to Davies constituted him their general agent for the management of their business affairs in Canada, with special power, among other things, to sign their names to promissory notes; and that in law the recourse of a *bonâ fide* holder for value