empowered to enter into contracts with individuals, etc., for the construction or equipment of the railway, etc. This section contains a provision exactly similar to sec. 17 of R. S. O. 1897 ch. 209, i.e., that no such contract should be of any force or validity until sanctioned by a resolution passed by the votes of the shareholders, in person or by proxy, representing two-thirds in value of the paid-up stock of the company at a general meeting specially called.

No such resolution was ever passed at a general meeting of shareholders. This is, in my opinion, a perfectly good defence as far as the company is concerned. The parties dealing with the company or with the directors were at least bound to read the Electric Railway Act and the special statute. And so the case does not fall within the principle laid down in Royal British Banking Co. v. Turquand, 5 E. & B. 248. See Lindley on Companies, 5th ed., p. 167.

It may well be also that no completed agreement was ever arrived at; the plans having been made part of the agreement, and those not having been signed by the plaintiff: Gooch v. Snarr, 34 U. C. R. 616. I do not consider the decision in Selkirk v. Windsor Essex and Lake Shore Rapid R. W. Co., 21 O. L. R. 109, to be in point. There the express language of the special Act authorising the engagement in question was held to prevail. The contract in question in that case was not for construction, etc., within sec. 17 of R. S. O. 1897 ch. 209.

Then as regards the position of the directors, the individual defendants. It does not appear that there was any representation or holding out to the plaintiffs that the contract had been sanctioned by the shareholders. The limits of their authority could be readily ascertained, and the plaintiff, dealing with directors whom he ought to have known to be exceeding their authority (if they did exceed their authority), cannot, in the absence of fraud on their part, obtain any redress against them: Beattie v. Lord Ebury, L. R. 7 Ch. 777; Struthers v. Mackenzie, 28 O. R. 381; Lindley on Companies, 5th ed., pp. 241-242.

The plaintiff fails, both as against the company and the individual defendants. Under all the circumstances, I do not consider it to be a case for costs.