

the lease, and the intended lessee sued the person who assumed to be agent for damages, and it was held by the Exchequer Chamber that there was a contract on the part of the pretended agent that he had authority, on which contract (he having since died) his representatives were liable.

As the later cases put it, such a transaction amounts to a warranty on the part of the agent that he has the authority of his alleged principal to do the act which he assumes to do, and if in fact he has not, then he is responsible in damages to the person whom he induces to act on the faith that he has the authority which he represents himself to have. *Collen v. Wright* was followed in *Pow v. Davis*, 30 L.J.Q.B. 257, and in *Spedding v. Nevell*, L.R. 4 C.P. 223, where the facts were similar; and the principle of the case was applied by the Judicial Committee of the Privy Council in *Cherry v. Colonial Bank of Australia*, L.R. 3 P.C. 24. In that case two directors of a company notified the company's bankers by letter that the manager of the company had authority to draw cheques on account of the company. These two directors did not form a majority of the directors so as to bind the company. On the faith of the letter the bank honoured the manager's cheques, and the company's account was thereby overdrawn; and it was held by the Judicial Committee of the Privy Council that although the directors had no power to give the manager authority to draw cheques on the company's account, yet they were personally liable in damages to the bank, on the ground that they had impliedly warranted the authority of the manager.

The principle was further applied in the case of *Richardson v. Williamson*, L.R. 6 Q.B. 276. There the plaintiff lent £70 to a building society and received a receipt signed by two directors certifying that the plaintiff had deposited £70 with the society for three months, certain to be repaid with interest after fourteen days' notice. The society had no power to borrow money; but the receipt was held by the court to be a representation on the part of the directors that the society had power to borrow money, and rendered them personally liable in damages for