

(2) "And the purchaser hereby attorns to and becomes the tenant of the company of the said premises, and holds the said premises at a monthly rental of \$11.76, payable on the days and times hereinbefore appointed for payment of the monthly instalments."

(3) "If the purchaser fail or neglect to comply with the stipulations and agreements herein contained, the company shall be at liberty to rescind this agreement by 5 days' notice in writing to be given by mailing the same to the purchaser—addressed Robert James Bunting, Esq., Rat Portage, Ontario."

(4) "Provided, and it is hereby agreed between the parties hereto, that the purchaser has the privilege of paying off, of the principal, at any time if desired, a sum equal to 12 monthly instalments."

(5) "Time shall be the essence of this agreement."

The defendant has failed to establish any express agreement with the plaintiffs, by which, upon purchase of the land from Bunting, he was to be permitted to pay up arrears and to be accepted in the place of Bunting. Negotiations were commenced and carried on with Mr. McGillivray, the agent, called by plaintiffs their general district agent, but Mr. McGillivray did not assume, as such agent, to close an agreement. He submitted to head office the defendant's proposition. He reported to head office the negotiations, and the defendant knew that McGillivray was doing this, and the plaintiffs declined to make any agreement with the defendant. In the absence of any express agreement, the position of the defendant Longley must be considered, first, in reference to possession and improvements he made upon the premises, and second, as to his rights, if any, against the plaintiffs, by reason of the conveyance of Bunting, defendant having gone into possession with the sanction of Bunting and in ignorance of any attempt by plaintiffs to cancel the Bunting agreement.

The negotiations were carried on between McGillivray and the defendant Longley in perfect good faith. They began on 6th May, 1908, and McGillivray on that day reported to plaintiffs. On 15th May plaintiffs refused to entertain defendant's proposition, and at the same time informed McGillivray that they had by registered letter cancelled the Bunting agreement, but that they would "also cancel by personal service," and accordingly they enclosed cancellation notices in duplicate for service upon Bunting. Longley