

or small, this chapter will cover those which the business and professional man will be most likely to come in contact with.

8 Oral Contracts are those made by spoken words, and are usually called verbal and sometimes parole. They are binding for the sale of *personal property* (but not for real estate), up to a certain amount fixed by statute in each Province. In Ontario the oral agreement for the sale of personal property would be valid for any amount *under* \$40. (For other Provinces, and for technical details, see Statute of Frauds, Section 22, also see when a verbal agreement binds.) They are also binding for a lease of property for one year and under, and under certain conditions for three years and under (see Terms of Lease).

Oral agreements are binding between master and servant unless they exceed one year; and in regard to other things they are limited in time to one year.

9 Written Contracts may be printed or written, or partly printed and partly written. They may be *formal*, using the legal phraseology, containing the details of the whole contract; or they may be *informal*, merely contained in letters that have passed between the parties.

To make a binding agreement for the sale of real estate, it is essential that it be in writing.

10 Contemporary Written and Verbal Agreements.—As a usual thing a written contract cannot be affected by a contemporaneous oral agreement. If the written instrument purports to embody the whole contract, the court would not be inclined to receive other evidence to show that the intention of the parties was different. But if the writing does not give evidence of containing the whole agreement, or shows evident omissions, then in that case evidence would be received to prove a contemporaneous verbal agreement.

11 Contract Under Seal, (also called Specialty Contracts) must of necessity be in writing. They do not require a *consideration* to make them valid. The seal indicates greater deliberation and solemnity in executing such contracts, and a person is presumed to enter into them with a full knowledge of their contents, hence debarred from afterwards pleading "insufficient consideration."

For use of seal by joint stock companies, see Section 61.

For seal on promissory notes, see Section 61.

12 Implied Contracts are those where the terms are not definitely stated, but are *presumed* to be understood. They are as binding as express contracts, but sometimes are difficult to prove, or are misunderstood. *Example:* A customer leaves his order with a grocer to have delivered at his residence five dozen eggs and \$2 worth of sugar. Nothing is said about the price of eggs or the number of pounds of sugar sold for a dollar, or anything about payment; but the parties themselves and the law *presumes* a tacit understanding as to the prices and the time of payment.

For liability by implication of husband for wife's purchases, see Section 28, also Husband's Liability.

For new tenancy by implication, see Section 365.

For a contract of service by implication, see Section 420.

13 Voidable Contracts are those which take their full and proper legal effect unless they are set aside by some one entitled to do so. They bind both parties until set aside. The party defrauded may void the contract if he