

*Au Conseil privé:—*

*The Lord Chancellor.* Their Lordships do not desire to hear the respondent in this cause, for in their opinion the appeal fails.

The real question in dispute is whether or not the appellants have committed such a breach of a contract made by them with the respondent as to entitle the respondents to treat the contract as determined and upon this basis to sue for damages.

The history of the matter is this. A Company, known as the Saraguay Electric and Water Company, was originally incorporated by Letters Patent in 1906, but in 1908 it obtained a statutory incorporation, and continued working under this statute until 1912. What happened then is not quite clear, but owing to the provisions of another statute, passed in that year, either the appellant Company was established or the old Company was re-incorporated under a new name. It is unnecessary to consider the exact operation of the statute, since, for the purposes of this appeal, it is agreed that the appellants should be treated as standing in the position of the original Company. In 1912, there was already existing a contract which had been made on the 14th July, 1909, between the Saraguay Electric and Water Company and the respondent. The question is whether that contract has been broken. Its terms are special. It appears that the Company were anxious to secure the services of the respondent for a long period of time as their general manager, and the contract, which is a contract of service, accordingly engaged him for a period of ten years at an increasing salary, beginning at 2,000 dollars a year, and going up to 5,000 dollars a year, the first payment to be made on the 1st April, 1910, some seven or eight months