

SUTHERLAND, J.

JUNE 25TH, 1918.

ROWNSON DREW & CLYDESDALE LIMITED v. IMPERIAL STEEL AND IRON CO. LIMITED.

*Contract—Agreement for Supply of Manufactured Goods—Formation of Contract—Written Memorandum—Evidence of Surrounding Circumstances—Admissibility—Authority of Agent of Company—Apparent Mandate—Necessity for New Machinery to Manufacture Goods Ordered—Effect on Question of Authority—Approval of Contract—Ratification—Subsequent Repudiation—Necessity for Specifications by Buyers—Custom of Trade—Furnishing of Credit—Term of Contract—Notice of Intention to Cancel—Damages—Increased Prices of Goods—Increase in Freight Rates—Expenses of Special Journey—Remoteness.*

Action for damages for breach of an agreement for the supply of 1,200 tons of wire and wire-nails by the defendants, a company incorporated in Canada, and having its chief place of business in Collingwood, Ontario, to the plaintiffs, a company incorporated and doing business in Great Britain.

The agreement was made on the 24th July, 1915, in New York, where one Donald, the managing director of the plaintiffs, and one Royal, a clerk or officer of the defendants, met by appointment. The agreement was in writing.

The action was tried without a jury at Toronto.

R. McKay, K.C., and Gideon Grant, for the plaintiffs.

J. B. Clarke, K.C., for the defendants.

SUTHERLAND, J., in a written judgment, after setting out the facts, said that it was argued for the defendants that on the face of the writing of the 24th July, 1915, there was no contract, nothing binding on the defendants or which indicated an agreement on their part to do anything. The document, however, should be looked at in the light of the surrounding circumstances: *Bentsen v. Taylor Sons & Co.*, [1893] 2 Q.B. 274; *Phipson on Evidence*, 5th ed., pp. 490, 549; from which it sufficiently appeared that Royal had authority from the defendants, and that the writing in fact shewed a completed contract. It was more than an offer or option; it was a definite contract for the sale by the defendants and purchase by the plaintiffs of 1,200 tons of wire and wire-nails such as might be specified by the plaintiffs within a given time, and at prices which were certain within the provisions of the contract.