

methods" for cheapening construction by the use of castings, the mistake, if it was only a mistake, was a most unfortunate one, leaving, as it does, room for a strong suspicion, at least, that "shoddy methods" are not confined to America.

The substitution in question was a most difficult one to discover, and was, in fact, not discovered until after all the goods in question had been taken into stock, and most, if not all of them, sold. If defendants had discovered the substitution in time, they would clearly have been entitled to refuse to accept, the warranty or representation standing in that connection and up to that time in the nature of a condition precedent. . . . *Bowes v. Shand*, 2 App. Cas. 445, 480, referred to.

But if, having taken the article, as in the present case, the purchaser afterwards discovers the defect, he may at once bring an action on the warranty, and recover the difference between the value of the article he should have received, and that which he actually did receive, at the time he received it: *Mayne* on damages, 6th ed. p. 198; *Loder v. Kekule*, 3 C. B. N. S. 128, 139, 140; *Jones v. Just*, L. R. 3 Q.B. 197, 200, 201.

Nor can it make any difference to the vendee's rights that he has been fortunate enough to sell the goods as if they had complied with the vendor's warranty. If he sells without a warranty, the resale may, of course, assist in determining the amount of his damages, but, if the resale is made with a similar warranty, such resale is no guide even for such a limited purpose: *Muller v. Eno*, 14 N. Y. 597.

But the right of action is complete without a resale, and the measure of damages must be the same whether the goods are in the vendee's warehouse or in the hands of persons to whom he may afterwards have pledged or sold them. Where credit is given, or where the goods have been paid for, the vendee may sue at once, or if in the former case he so elects, he may await an action for the price, and in such action set off or counterclaim for his damages by reason of the defective material or other breach of warranty: *Mondell v. Steel*, 8 M. & W. 858; *Church v. Abell*, 1 S. C. R. 422; *Davis v. Hedges*, L. R. 6 Q. B. 687. This is an action for the price, and I fail to see any satisfactory reason why defendants should not be allowed to meet plaintiffs' claim, as far as they can, by the counterclaim for the damages in question.

As to the amount of the damages for plaintiffs' delay in delivering the goods . . . the amount allowed by the Referee was \$4,000, which the Chancellor reduced to \$1,000. By both it is apparently accepted as the proper conclusion