

8. Three Classes of Contracts. — (1) Simple; (2) Under Seal; (3) Of Record.

1. Simple Contracts may be either written, as promissory notes, drafts, cheques, charter-party, way bill, etc., or verbal (parole), as buying and selling, hiring, and all the manifold transactions taking place each day in community, except those agreements under seal, as deeds, mortgages and bonds.

2. Contracts Under Seal (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."

3. Contracts of Record are the entries in the rolls of a court of record of its proceedings, as the High Court of Justice or County Court.

9. Oral Contracts are those made by spoken words (parole), and are usually called verbal. They are binding for the sale of personal property up to an amount fixed by statute in each of the Provinces, usually £40 in Canada (see Section 25), but are not binding for the sale of real estate, even though a payment of money accompanies the oral agreement. They are also good for a lease of property for three years and under, but in regard to other things they are limited in time to one year.

10. 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, what was to be done, when, where and how to be done, and the consideration. Or they may be informal, merely contained in letters that have passed between the parties, or gathered from circumstances.

11. Written Contracts and Verbal Agreements. — As a usual thing a written agreement 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. It would then be for the court or jury to say whether such other matters were a part of the agreement or not.

12. Express Contracts are those where the agreement is distinctly stated, and the things to be done or not to be done definitely declared. Example. (1) A farmer (2) purchases (3) a self-binder (4) from some person (5) for £13, (6) to be delivered on or before

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