

have a corporate seal, which the officers must impress on all contracts signed by them, on which seals are essential.

Promissory notes and bills should not be under seal, as a seal would destroy their negotiability by placing them among "Specialty Contracts."

62 Requisites of a Contract.—From what has been given, the requisites of a valid contract may be summarized as follows: (1) It must be possible. (2) It must be lawful. (3) It must be made by persons who are competent to contract. (4) It must be assented to by each and all the parties. (5) It requires a consideration, except for those under seal and for negotiable instruments. (6) It must be without fraud. (7) Some may be verbal, others must be in writing, and some under seal, according to the nature of the contract.

63 Interpretation of Contracts.—Although it is supposed that parties entering into a contract fully understand its terms, and will use language in expressing them that will explicitly give their meaning, yet it often happens that such is not the case; hence certain rules have been adopted to interpret them when ambiguity occurs. The following are those of chief importance:

1. **THE INTENTION** of the parties at the time of the contract was made is considered, rather than the literal meaning of the words.

2. **CUSTOM AND USAGE** of that particular business and place will be regarded when the wording of the contract is doubtful.

3. **THE TECHNICAL WORDS AND PHRASES** used will be given the meaning in which they are employed in that particular business.

4. **VARIATIONS BETWEEN WRITING AND PRINTING.**—When one part of a contract is written and another printed, if they disagree the written portion will be accepted. The same is true with a note or cheque.

5. **LIBERAL CONSTRUCTION.**—Where the wording of a contract is ambiguous it is the rule of the courts to construe it liberally, so as to give effect to the common sense of the agreement, even sometimes rejecting objectionable clauses and supplying omissions. But where the Statutes fix a definite meaning to words, they will invariably be construed in that sense.

6. **CONSTRUCTION AS TO TIME.**—When no time is mentioned in the contract for its execution, the presumption is that it must be done at once, or in a reasonable time, and the courts will so construe it, according to the nature of the work to be done.

7. **CONSTRUCTION AS TO PLACE.**—It is a settled rule that:

(a) All matters bearing upon the interpretation, the validity and the execution of contracts, as well as capacity of the respective parties thereto to contract in such case, are determined by the law of the place where the contract is made, unless the law of the place where the contract is to be carried out forbids it.

(b) All matters relating to its performance are governed by the law of the Province or country where the contract, by its terms, is to be performed.

(c) All matters respecting the remedies to be pursued, the bringing of suits, service of process, etc., are governed by the law of the place where action is brought.

64 Completion of Contracts.—The element of time is an important feature of all contracts. A contractor not completing his contract within the time specified is liable for whatever damages actually occur.

In cases where no time is fixed for the completion of a contract it must