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*CONTRACTS IN RESTRAINT OF TRADE.*

The elasticity of the common law to adapt itself to the altered circumstances of commercial expansion finds striking illustration in cases of what are technically known as contracts in restraint of trade.

In the reign of Henry V., in the early part of the fifteenth century, it will be seen by reference to the Year Books, it was even then old and settled law, founded upon public policy for the good of the realm, that contracts which had the effect of limiting the skill or handicraft of the industrial classes, or which tended to favour monopolies and exclusive privileges, were void. The reason of the rule was, such contracts were inimical to the public weal, in consequence of depriving the public of the services of such as were skilled in employments beneficial to the state. The tendency of such contracts, likewise, was to prevent competition and enhance prices. A case occurred in the 2nd Henry V., found in the Year Book of that date, in which damages were sought for breach of a bond with a condition that a man should not exercise his craft of a dyer for the period of six months, within a certain town. Mr. Justice Hall, who tried the case, angered at such a violation of the law, with an oath announced, "If the plaintiff were present in court, to prison he should go until he made fine to the king, because he had dared to restrain the liberty of the subject." Two principles from the first seemed to antagonize each other. One holding the state should not be deprived of the talent, skill and labour of any of its members by any contract he might enter into. The other, that courts should not lightly interfere with freedom of contract, which when freely entered into should, as far as possible, be held sacred. It has justly been said, freedom of trade and inviolability of contract are alike favourites of public policy. There has long been a constant effort to harmonize those conflicting principles. The hard and fast rule of earlier cases of contract in restraint of trade has gradually relaxed with the ever changing phases of commercial intercourse, and seeks, while protecting the rights of the contracting parties, to conform to modern views and ideas of public policy.

In 1621 an exception was grafted upon this old established maxim of the common law. The defendant in *Broad v. Jollyfe*, Croke, 17 Jac. p. 596, was a mercer, who kept shop at Newport, Isle of Wight. In consideration plaintiff would buy all the wares