

RECENT LEGAL DECISIONS.

OFFER AND ACCEPTANCE.—An offer is no less binding because in the form of an estimate, and headed "estimate."

In an action instituted in England, to recover damage for breach of contract, the plaintiff was the owner of certain freehold premises, and the defendant was a builder. The freeholder was desirous of having certain building work done on his premises, and his architect wrote the following letter to the builder: "Our client is about to make additions to his property, and we should be glad to know whether you will be willing to give us a tender in competition for the work. No quantities will be supplied, and our client does not bind himself to accept the lowest or any tender." Subsequently the specification was sent to the builder who wrote to the architect the following letter which was headed "estimate." My estimate to carry out the sundry alterations to the premises according to the drawings and specifications amounts to the sum of £1,230. The next day the plaintiff wrote that he accepted the builder's offer to execute the work in question for the sum mentioned. At a later date the builder wrote that he had made an error in his figures, and that under the circumstances he must withdraw his estimate. The freeholder had the work done by another builder, at a higher price, and then brought his action to recover the difference in price as damages for breach of contract. The question was, whether there was a complete and binding contract. The builder contended that his letter was not a binding tender, that the word "estimate" was advisedly used by him in order to avoid a final and binding agreement, which would have resulted from the use of words such as "I offer to execute the work." Evidence was given by several builders to show that such distinction is always observed in the trade.

In the course of a judgment against the builder, Mr. Justice Bigham said that the freeholder's letter was an invitation to the builder to send in a tender in competition for the work. That meant that he was to state the price at which he would do the work, and the specification was sent in order that he might have the necessary material upon which to tender. Then the builder sent his letter headed "estimate," and the question was whether that letter was an offer to do the work at the price mentioned. He was of opinion that it was. It had been suggested that there was some custom or well-known understanding that a letter in such form was not to be treated as an offer. There was no such custom, and if there was, it is contrary to the law. Both parties in his opinion intended these letters to constitute a complete contract. It was also said that there was no complete contract, because in the specifications there was a blank left as to the time within which the work was to be completed. In the ordinary course, a subsequent agreement would be come to as to the time, but the absence of it would not have the effect of setting aside the already existing contract. The question did not depend upon any

supposed custom, but on the language of the letters which had passed between the parties. The builder had made a mistake, and he must abide by the consequence of it. There would be judgment for the plaintiff for £250 and costs.—*Croshaw vs. Pritchard*, 16 Times L. R. 45.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents

LONDON LETTER.

28th December, 1899.

FINANCE.

Christmastide and the season of good-will have aided the gentlemen of the Stock Exchange to recover their spirits, and when the House re-opened a most cheering tone was evident. Easier money occasioned by a good influx of gold from abroad helped, and a small boom appeared in the Kaffir Circus. This was, however, speedily extinguished. The only very weak descriptions were theatrical and lighting stocks in the industrial market. Coal and cotton were excellent—the latter being benefited by the recent 20 per cent. advance in wholesale thread prices.

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The 1899 gold movements have been on a much smaller scale than in most previous years. Imports are about fifty-seven million dollars below those of 1898—some ten millions of this being accounted for by the cessation of supply from South Africa during these last two months. Exports of gold show many heavy decreases. American has taken forty-five millions less; Germany, forty millions; and Japan, fifteen millions. To go a little way towards restoring the balance, South Africa has taken twenty million dollars in British sovereigns, and South America has increased her usual import by seven and a half million dollars.

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Considerable anxiety was caused last week when the London and Northern Bank suspended payment. Feeling was allayed when the character of the institution became known. Although trying hard to look like a city bank, the London and Northern had never had much success. Formed in October, 1898, by Bowden and other people in connection with an unsatisfactory promoting clique known as Commerce, Ltd., it took over the business of the Leeds Joint Stock Bank at an absurdly inflated value, lading itself with an incubus from the very start. Its nominal capital was ten million dollars, and its object was to open branches in every large town.

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The effect of the calling out of the reservists, militiamen, yeomanry, etc., is already making itself felt in the labor market. It is estimated that quite thirty thousand coal and iron miners have left their situa-