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## Background

### BCLI Report no. 4—Proposals for a Contract Law Reform Act

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The general law of contracts is almost entirely a creation of the courts. Legislative intervention has been rare. Where legislatures have acted to alter the general law of contracts, it has been to implement some overriding policy or, more commonly, to repair some perceived defect in the law developed by the courts. Statutes in British Columbia contain six instances of intervention in relation to the general law of contract. Five of these consist of particular sections of the *Law and Equity Act* and the sixth takes the form of separate statute (the *Frustrated Contract Act*).

The current legislative distribution is unsatisfactory in that it makes access to these provisions much more difficult than necessary. First, parties do not have the security of knowing that enactments potentially modifying the general law of contracts are confined to a single Act. The fact that at least two statutes are known to contain such provisions raises the specter that any number of additional Acts may contain relevant provisions. Second, even if the *Law and Equity Act* were the sole repository of revisions to the general law of contracts, the researcher still confronts a formidable task. The *Law and Equity Act* is over 60 sections long and deals with topics as diverse as the application of English law, judicial notice, venue in foreclosure proceedings, and damage by collision at sea. Sifting through this mass of complicated and mostly unrelated provisions in a search for those that touch on contract law can be a wasteful and frustrating exercise.

What is called for is a single statute that brings together the provisions and sets them out in an accessible fashion. This report proposes the adoption of a *Contract Law Reform Act*. This proposed Act would have two functions. The first is to consolidate and make accessible the existing enactments that affect the general law of contract. The second is to provide a suitable vehicle for the implementation of the three Law Reform Commission of British Columbia reports (on illegal transactions, covenants in restraints of trade, and deeds and seals) in this area that have not yet been acted on.

The report sets out the full text of a draft *Contract Law Reform Act* incorporating the existing statutory provisions and additional sections that would implement the outstanding Law Reform Commission Reports. The report also includes a brief commentary on each section, or related group of sections in the proposed Act. These descriptions are intended to provide only a brief flavour of their operation and the deficiencies in the law they are designed

to correct. For all but two of the provisions, a thorough and exhaustive discussion will be found in the report of the Law Reform Commission on which the provision is based. These reports can be found at most law libraries and are accessible through the internet at the BCLI's website.