ANSWERS MUST BE WRITTEN IN INK

If a candidate for graduation in February, 1930, write ABOVE your name on the cover of your answer book, “Candidate for graduation—February, 1930”.

K. N. Llewellyn

(80 Minutes) To be taken first.

INSTRUCTIONS: (a) at the end of 40 minutes drop Question I and begin Question II. (b) Think first. There is no need to finish. It is vital to write a coherent answer which goes somewhere. (c) Assume facts where necessary; if you assume any, state the assumptions. (d) Answers are to be based first on positive law, and only after stating your conclusion on the positive law are you to discuss policy.

1. (40 minutes) Ames wired Biggs on Feb. 1: “Ready to give eight dollars a barrel three to five hundred barrels potatoes shipment per ‘Hot Mamma’ sailing Feb. 5.” As received by Biggs this read: “three to fifteen hundred.” Fifteen hundred barrels was not an unreasonable or unusual quantity for Ames to buy.

Biggs wired Ames Feb. 2: “Your wire yesterday. Will ship one thousand barrels eight fifty. Lower price scarce.” This wire was received by Biggs, because of breakdown of the service, only on Feb. 5.

Ames wirelessed Biggs Feb. 4: “Must now withdraw offer first instant. Market glutted here.”

After this message was received by Biggs he wirelessed Ames, also on Feb. 4: “Shipped you yesterday per Hot Mamma sailing tomorrow two lots each three hundred barrels at eight dollars.”

(a) If Ames rejects the potatoes can Biggs recover for breach of obligation to accept any potatoes, and if so, for how many?

(b) If the market goes up again on Feb. 5, what are Ames’ powers on receipt of Biggs’ wire of Feb. 2?

2. (40 minutes) Ale, being about to go abroad, asked Bottle to keep Ale’s car in Bottle’s garage during Ale’s absence. Ale moved the car in. Later Ale talked with Bottle about insuring the car against fire, and Bottle said: “Don’t bother; I’m going to insure the garage and all contents.” Ale said: “All right; that will do me.” After Ale’s departure, the car burnt, without fault in Bottle. It had not been insured. The car when destroyed was worth $2000. Ale demanded that Bottle pay its value. Bottle denied liability. Finally they agreed to settle the claim for $600.

But Bottle did not pay. Ale threatened suit. Bottle said: “I’m in a business jam just now, and can’t afford to be sued. Call off your suit.” Ale said: “I won’t.” Bottle said: “All right, then, put it off; and I’ll give you fifty dollars.” Ale answered: “You mean it?” Bottle said: “Yes.”

Ten days later Ale said to Bottle: “I want to be fair. If you will pay the $200 I still owe Dealer on that car, and will donate another $100 to the League to Eliminate Lapdogs, I won’t sue you at all.” Bottle said: “That’s fair, I agree. It’s a good way out. But you ought to donate, too.” Ale replied: “I’ll match your donation.” He sent the League at once a check for $25, and a pledge for $75. The League collected the $25. check.

(a) Immediately on the return of Bottle’s wife from out of town, Bottle found himself induced to repudiate any and all the foregoing engagements. What effective remedy has Ale? Dealer? The League? (The League may be treated as a single person.)

(b) If Bottle had not repudiated, and Ale had, who could have recovered against Ale, and for what?
CONTRACTS I

ANSWERS MUST BE WRITTEN IN INK

If a candidate for graduation in February, 1931, write ABOVE your name on the cover of the answer book, "Candidate for graduation—February, 1931".

Mr. Llewellyn

PART I. Essay. To be taken first.

One hour and a half allowed.

1. (Not more than 1 hour) On October 1, Axel, a big dealer in potatoes, wired Buckle, a big potato buyer: "Ship thirteen to fifteen thousand barrels per 'Sugar Baby' sailing October 5 eight fifty." Both parties, in accordance with trade usage, understood this to refer to fair average quality potatoes of the season and understood the price to refer to price cash per barrel f.o.b. seller's shipping point. Buckle got the message October 1. As received by Buckle, however, the message read "eight" instead of "eight fifty." Neither price was unreasonable.

On October 2 Buckle wired Axel: "Yours yesterday. Will ship fifteen thousand eight fifty on your agreement. Can you arrange payment guaranteed by Guaranty Trust?" Both parties understood this last to refer to the Guaranty Trust Co. of N. Y. Axel got this message October 2.

On September 30 Axel had already agreed orally with the Guaranty Trust that they would, if he so requested, make payment to Buckle for this prospective shipment, and that Axel would reimburse them at once on notice of the payment made, and pay them a commission of ¾%.

October 3, Axel notified the bank to pay, and wired Buckle: "Yours yesterday. Guaranty arranged."

It was essential for Buckle to begin loading at once, if he was to get the shipment off in time. He had expected notification of the guaranty from the bank. It was too late to get this by wire. He therefore called up the bank. Its duly authorized officer told him: "Don't worry. We'll meet your draft at $8.50, but only if you get the 15,000 barrels off on the 'Sugar Baby' by the 5th."

Thereafter, on October 3, Buckle began loading the potatoes he had and buying up others, to fill the amount.

October 4 the market was flooded with potatoes and news of others about to arrive. The market opened that morning at $7.50 and dropped to $7.00 by noon. Buckle had bought up enough to fill the Axel deal, and had loaded 8,000 barrels on the 'Sugar Baby' when he received a rush wire from Axel: "Deal off," and a rush wire from the bank: "Guaranty withdrawn."

Discuss Buckle's rights at the various stages of the deal.

2. (Not less than 30 minutes) (a) Digest Harris v. Shorall, in the light of the other cases in the attached series.

(b) Discuss the attached series of cases from the angle of the practice of precedent, the doctrine of precedent, and the effects of precedent, in American courts.