

Shepherd Vs. Hampton

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Court : US Supreme Court

Decided On : 1818

Appeal No. : 16 U.S. 200

Appellant : Shepherd

Respondent : Hampton

Judgement :

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16 U.S. (3 Wheat.) 200

ERROR TO THE DISTRICT

COURT OF LOUISIANA

SYLLABUS

In an action by the vendee for a breach of a contract of sale by the vendor in not delivering the article, the measure of damages is the price of the article at, the time of the breach of the contract, and not at any subsequent period.

Quaere, how far this rule applies to a case where advances of money have been made by the purchaser under the contract.

The plaintiffs filed their petition or libel in the court below, stating that on 12 December, 1814, they entered into a contract with the defendant for the purchase of 100,000 pounds weight of cotton to be delivered by the defendant to the plaintiffs on or before 15 February, ensuing the date of said contract, the said cotton to be of prime quality, and in good order, and for which the plaintiffs stipulated to pay at the rate of ten cents per French pound, and in case the price of cotton, at the time of delivery, should exceed the above limited price, then the petitioners were to allow the common market price on 50,000 pounds of said cotton, and alleging a breach of the agreement on the part of the defendant in not delivering the cotton, &c.;

The case agreed stated the contract as set forth in the petition, and that 49,108 pounds of cotton were delivered by the defendant under the contract about the time mentioned therein, to-wit, on 15

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February, 1815, when the highest market price of cotton at New Orleans was 12 cents per pound; that the defendant refused to deliver the remaining 50,892 pounds of cotton; that for some days after the said 15 February, 1815, the price of cotton remained stationary at about 12 cents; that it then began to rise, and continued gradually to rise until the commencement of this suit, when the market price was 30 cents per pound, and that the plaintiffs frequently called upon and demanded of the defendant the execution of said contract between the said February, 1815, and the time of bringing the present suit, and were ready and offered to comply with all the stipulations on their part, which was refused by the defendant.

Upon this state of the case, the defendant contended, that the rule of damages for the breach of the contract must be the market price of cotton on the day the contract ought to have been executed.

The plaintiffs contended that they were entitled to the difference between the price stipulated and the highest market price up to the rendition of the judgment.

It was agreed that if the court should be of opinion that the law is with the defendant, then judgment should be entered for the plaintiffs for the sum of \$100 damages, but if the court should be of opinion that the law was with the plaintiffs, then judgment should be entered for the plaintiffs for the difference between ten cents, the stipulated price, and thirty cents per pound, the present market price on the said

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50,892 pounds of cotton, amounting to \$10,178.40.

The cause was heard, according to the practice in the State of Louisiana, by the court below, on the case agreed, neither party demanding a jury.

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MR. CHIEF JUSTICE MARSHALL delivered the opinion of the Court.

The only question is whether the price of the article at the time of the breach of the contract or at any subsequent time before suit brought constitutes the proper rule of damages in this case. The unanimous opinion of the court is that the price of the article at the time it was to be delivered, is the measure of damages. For myself only, I can say that I should not think the rule would apply to a case where advances of money had been made by the purchaser under the contract, but I am not aware what would be the opinion of the court in such a case.

Judgment affirmed.