Course: Contracts: From trust to promise to contract

Assignment 2:The Christmas shop manager

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Both cases are similar in that they both deal with contracted workers who pressure their contractor to change the terms of an employment contract under threat of not fulfilling the conditions of the original contracts. The contracted workers used in both cases their position of power to negotiate better terms for themselves. Another similarity between the cases is the fact both contracted parties had been contracted for a specific timeframe (a fishing season in the Alaskan case and a year in case of the shop manager)

Differences between the two cases include three aspects: the ability to change employment and the way and by whom the original contract is terminated and the conditions of the new contract where established. In the case of the Alaskan packers the ability of the employed fisherman to work for someone else is not existent. The only threat they made was to not work resulting in a loss of revenue for the contracting party and no income for the fishermen. In the case of the shop manager however, the shop manager had the (at least seemingly) real possibility to go to work for a competitor. Therefore, he would have lost nothing if he followed up on his thread.

The second aspect is the way and by whom the contract was terminated and renewed. The case of the Alaskan fishermen does not mention the termination of the physical contract (which probably where in the home port). In the case of the shop manager however, the physical contracts were destroyed. Given these serve as proof in court, the legal position of the fishing company was stronger than that of the shop owner. Further, the authority of the person signing the new contract varied. In the case of the Alaskan fishermen the authority of the foreman (who renewed the contracts) can be put into question. Given the remoteness of the area, it is likely the foreman did not obtain explicit authority from the fishing company and was relying on apparent authority when making the new deals. Apparent authority is not enough to act as an agent of a principal. This made the contracts also void. In the case of the shop manager, the shop manager negotiated directly with the owner who, by definition, had explicit authority. This made the deal enforceable on this point.

The third point is regarding the term of the contracts. The new contracts of the fishermen where explicitly established for the term of the fishing season. In the case of the shop manager the new contract was valid for a year, starting the moment it was signed (December). This made the employer the party that violated the contract.

In the light of the above, the shop manager has the right to keep his job. Although the situation is similar to the Alaskan fishermen case, the differences in authority and the duration of the new contract make this case different and could result in a different judgment. However, the court might consider the actions of the shop manager immoral making the termination of employment justified.