

PENAL INSTITUTIONS:

Right to terminate contract fo
manufacture goods.

Oral

March 13, 1933



Honorable Stephen Hunter
Director Department of Penal Institutions
Jefferson City, Missouri

Dear Mr. Hunter:

There has been submitted to this office contract between the Department of Penal Institutions, as party of the First part and Fiber Craft Chair Company, a corporation of Frankfort, Kentucky, party of the Second part, contract dated the 4th day of August 1930. As I understand the facts this is one of successive contracts with reference to the same subject matter between the above named parties. There is also submitted a contract dated January 7, 1932, which I understand has never been considered as having been in force and effect.

As I understand the Department of Penal Institutions furnished the manpower to manufacture furniture, chairs, swings, tables and kindred articles, made mainly of wood fiber, cane and cloth, in accordance with designs, samples and patterns and from materials specified and furnished from time to time by the party of the Second part, under the contract dated August 4, 1930. The latter contract further providing that as it becomes desirable by the Fiber Craft Chair Company to have manufactured other and different articles and styles of furniture than those now set forth in a schedule referred to in the contract, such designated articles, materials and styles shall be made by the Department of Penal Institutions as is in the contract provided and the "cut, make and trim" prices for such work shall be calculated in the same manner and on the same basis as other such similar articles made herein and shall be set out in supplementary schedules from time to time and attached to the contract and made a part thereof. We do not find that such supplementary schedules have been attached to the contract. The "similar articles" undoubtedly refers to the articles to be manufactured and set out on the first page of the contract.

March 13, 1933

As I understand the facts the Fiber Craft Chair Company desired to manufacture articles other than those described on the first page of the contract, and that such articles and styles of furniture were manufactured in the state penitentiary during the year 1933.

There were both able and disabled men used under this contract. The tabulations submitted show that by multiplying the number of men, able and disabled, used on the above contract by one day that for the year 1930, 89,886 days were used under the contract, with an earning to each man employed of 33.5 cents per day per man; for the year 1931, 97, 926 days were employed with a return of 39.56 cents per man for work done; for 1932, 77,908 days with a return of 28.5 cents per man for labor done.

We are of the opinion that under the contract as provided on the third page thereof, that the articles to be manufactured as provided in the second paragraph on the third page of the contract, are to be paid for on the same basis as the articles otherwise provided for in the contract to be manufactured and if that has not been done and if the Fiber Craft Chair Company refuses to so calculate the amount due the first party, that would be sufficient ground to warrant the first party in refusing to go further with the contract.

We also understand that the Fiber Craft Chair Company pays for the manufacturing of the articles provided for in the contract, as and when it sells the goods so manufactured and we further understand that payments have not been made to the first party for a period of approximately four months, for articles that have been manufactured by first party and sold by second party and for failure to make such payments we are of the opinion that first party would be legally justified in refusing to go further with the contract.

I am returning you herewith contract dated January 7, 1932, also contract dated August 4, 1930, also tabulation of figures.

Very truly yours,

GILBERT LAMB
Assistant Attorney General.

APPROVED:

Attorney General.

GL:LC

Inclosures