

the account given by the latter seems to me confirmed in part by Capt. Arnold.

What may have been the particular cause which induced the Wheaton to port her wheel, when she was to starboard of the Wiman, cannot be known, in the absence of all testimony on that subject. That she did port is testified to by all the witnesses, including Capt. Arnold; the libel also alleges it.

Without adverting to the testimony as to the amount which the Wiman would pay off before she could regain her course, after luffing up into the wind and losing her headway, it is sufficient to say that I cannot regard such a luff as established. In any case, it would be almost incredible that a schooner sailing on the wind, and having the right of way, should without apparent necessity have luffed so as to lose all headway. But if she had, the vessel would have been a very poor sailer, or very badly handled, that would not have regained her course in far less distance than the half mile which separated the Witch Hazel and the Wheaton.

The evidence on behalf of the Wheaton seems to me totally insufficient to overcome the presumptions which are against her; and the libels on her behalf must therefore be dismissed, with costs. *The E. H. Webster*, 18 FED. REP. 724; *The City of Chester*, Id. 603; *The Albert Mason*, 8 FED. REP. 768; S. C. 2 FED. REP. 821.

The cross-libel in favor of the Wiman is rendered unavailing through the loss on the Wheaton. The proceeding to limit liability, which has been instituted by her owners, is sufficient to prevent any decree against them in this case.

SUMNER and others v. CASWELL and others.

(District Court, S. D. New York. May 9, 1884.)

1. COMMON CARRIER—PARTICULAR VOYAGE—CHARTER-PARTY—BILL OF LADING.

Where a ship is chartered to carry the goods of a single freighter only upon a particular voyage, *semble*, she is not a common carrier, but is subject only to the express and implied obligations of the charter-party and bill of lading.

2. SAME—WARRANTY—SEAWORTHINESS.

The implied terms of such a charter, and the ordinary bills of lading given in pursuance of it, as well as the covenant in the charter that the ship shall be "tight, stanch, strong, and every way fitted for the voyage," include an implied warranty of the seaworthiness of the vessel at the time she sails for the particular voyage, and in respect to the cargo laden on board.

3. SAME—BALLAST.

The proper ballasting of the ship, and the amount and arrangement of the cargo so as to make her sufficiently steady, are included in seaworthiness.

4. SAME—JETTISON—LIMITED LIABILITY—REV. ST. § 4213—PENDING FREIGHT—AMENDMENT.

Where the libelants agreed to take a cargo of petroleum in low-top 10-gallon cases from Philadelphia to Japan, and the owners superintended the loading

and ballasting of the ship, and determined the amount of cargo they would receive, and on starting from Philadelphia the ship was found unsteady, and, immediately on getting to sea, showed great crankness, so that, notwithstanding all efforts to diminish it, the ship, on the fourteenth day out, in a storm of no unusual character, was nearly on her beam ends, and it was found necessary to jettison 3,000 of the cases, *held*, that the jettison was made necessary, not by perils of the seas, but because the ship was top-heavy from want of sufficient ballast in connection with the loading, and that these defects were at the risk of the ship-owners, and within their express and implied warranty of seaworthiness. *Held, therefore*, that the ship-owners were liable on their bond given in this proceeding to limit their liability for the loss by jettison. *Held, further*, that section 4283, Rev. St., requires the surrender of pending freight, which includes, at least, the freight earned up to the time of the loss; and liberty was given to the libelants to amend their proceedings by paying the amount of such freight into court, or giving a further bond therefor.

This libel was filed by the owners of the ship *Castine* to limit their liability under sections 4283, 4284, of the Revised Statutes. At the same time they contest their liability. The ship was chartered by a contract of affreightment, to carry a "full and complete cargo of refined petroleum in the customary low-top, ten-gallon cases, at forty-seven and a half cents per case," from Philadelphia to Yokohama, Hiogo, or Nagasaki, Japan. On the part of the owners, the charter-party provided that the vessel should be "tight, stanch, strong, and every way fitted for such voyage, and to receive on board the said merchandise." She was loaded at Philadelphia under the direction of the owners, and 37,000 cases put on board. She left Philadelphia on the twenty-eighth day of November, 1878. From the first it was perceived that she was unsteady. On getting out to sea she was found to be quite crank, which increased with rough weather. On the fourteenth day out, in a storm, she was nearly on her beam ends; and two days after it was found necessary to jettison 3,000 cases, of the value of about \$13,000. The necessity of the jettison is not disputed, and everything was done by the captain that could be done to avert it. She subsequently reached Hiogo with the remainder of the cargo. A claim being made on the owners of the cargo jettisoned, on the ground that the ship was unseaworthy and top-heavy for the want of sufficient ballast, and the loss being greater than the value of the ship, the owners filed this libel to limit their liability as above stated, and have bonded the vessel in the sum of \$10,000; while they contest their liability for any damage, alleging that there was no fault or want of care on their part to cause the loss.

Scudder & Carter and Geo. A. Black, for libelants.

Treadwell Cleveland, for respondents.

BROWN, J. The libelants have proved, so far as affirmative testimony in such cases can prove, that there was no intentional failure in any respect to make the ship seaworthy by means of proper loading, stowage, dunnage, and the use of all the ballast which, from the previous trips of the ship, they supposed would be required. The ship had not carried petroleum in cases before; but she had carried it in

barrels, which would seem to be not less compact and steady than the cases; and 90 tons of ballast were used, which was all that had been before found necessary. On the ground that they used all such care and diligence as could reasonably have been expected in the stowage and ballasting of the ship, the owners insist that no liability attaches to them; contending that, under a charter of the character described, they are not responsible as common carriers, but only for reasonable diligence as bailees for hire.

The charter appears to have contemplated carrying the goods of the freighters only. She was in no sense, therefore, a general ship; but only a ship hired for a specific voyage, to carry a particular cargo for the charterers. Such a contract does not seem to be within the definition of a common carrier. In the case of *The Niagara v. Cordes*, 21 How. 7, a common carrier is defined as "one who undertakes for hire to transport the goods of those who may choose to employ him from place to place. He is, in general, bound to take the goods of all who offer, unless his complement for the trip is full, or the goods be of such a kind as to be liable to extraordinary danger, or such as he is unaccustomed to convey." None of these conditions attach to a contract of affreightment in charter-parties like the present. In *Lamb v. Parkman*, 1 Spr. 353, it is stated by SPRAGUE, J., that such contracts "are not those of a common carrier, but of bailees for hire, bound to the use of ordinary care and skill." And such is the view taken in *Pars. Shipp. & Adm.* vol. 1, pp. 245, 248. The most recent discussion of the subject is in the case of *Nugent v. Smith*, 1 C. P. Div. 19, in which a liability like that of a common carrier was upheld by BRETT, J., but was subsequently overruled in the court of appeal by COCKBURN, C. J. 1 C. P. Div. 423, (1876.)

It is not necessary, however, to pursue this inquiry further, as the liability of the ship-owners in this case does not seem to me to rest upon this distinction, but rather upon the provisions of the charter itself. I can have no doubt from the testimony that the jettison was made necessary mainly, if not wholly, in consequence of the ship's being top-heavy through the want of sufficient ballast. She was not, probably, too deeply loaded, had there been sufficient ballast at the bottom. A suggestion is made of insufficient dunnage; but it is not clear how this could have contributed to the difficulty. There was some leakage of oil from the time the vessel got to sea, which was shown in all the pumpings. The evidence of the captain, however, is to the effect that this was not an important element in requiring the jettison of part of the cargo. There was some rough weather; one storm was encountered; but the log gives no indication that it was of an extraordinary character, while the entries from the first contain almost daily mention of the great crankness of the ship. I can have no doubt, therefore, that the cause of the loss was not perils of the sea, since no unusual weather was encountered, (*Hubert v. Recknagel*, 13 FED. REP.

912,) but the unseaworthiness of the ship, through her mode of lading, in connection with the want of sufficient ballast to prevent her being dangerously top-heavy.

The owners in this case, or their agents, undertook the supervision of the loading of the vessel in person. Mr. Currier, one of the part owners, procured the stevedore and the dunnage; and he determined the amount of ballast to be used. The captain did not arrive until the vessel was loaded and nearly ready to sail. The charter-party provided that the vessel should be in every way fitted for the voyage. This includes the furnishing of necessary ballast, since it is the duty of the owner to find proper ballast for the ship in order to make her trim for the voyage. *Irving v. Clegg*, 1 Bing. N. C. 53. The covenant that the ship shall be in every way fitted for such a voyage, in my judgment, covers the proper ballasting of the vessel, as it does her proper equipment in all other respects. The owners must be held legally chargeable with knowledge of the amount of ballast required by their own vessel, and of the cargo they had undertaken to carry. It is not to be supposed that freighters who have no knowledge of the ship or control of the lading, either in the manner of stowage or ballasting, or the amount of cargo to be taken on board, are intended to be charged with the risks of any unseaworthiness occasioned by such causes. It was the clear duty of the owners to take notice, and to know, whether the vessel was in proper trim to proceed to sea. They took such cargo as they saw fit to put aboard; no amount was specified in the charter; it was left at the option of the owners. One of the witnesses says: "The people that loaded the ship ordered the vessel to be loaded, and they ought to know how she should be loaded; it lays with them. They loaded her just as they thought proper; they can fill her half full, or full. Of course, we give them all the cases they want; all that they required."

In taking as many cases as they chose to take, and loading the vessel as they saw fit, the libelants were bound to take so much cargo only, and to stow it in such a manner as that the ship should be fit for such a voyage; and they, and not the shippers, took the risk, therefore, of any imperfect knowledge they may have had, from whatever cause, as to the proper adjustment of the cargo and the amount of ballast to make her seaworthy.

Bills of lading, moreover, in the usual form, in pursuance of a provision to that effect in the charter-party, were given for the goods received on board. Besides the express contract that the vessel should be fitted for the voyage, there was also the warranty implied by law under the bills of lading, as well as incident to the charter and a part of every such contract, that the ship, at the time she sailed, was in all respects seaworthy, and fit and competent for the sort of cargo and the particular service for which she was engaged. 3 Kent, *205; *Macl. Shipp.* 406; *Work v. Leathers*, 97 U. S. 379; *The Rebecca*, 1

Ware, 192; *The Titania*, 19 FED. REP. 101, 107; *The Lizzie W. Vir-den*, 19 Blatchf. 340; S. C. 11 FED. REP. 903; *Cohn v. Davidson*, 2 Q. B. Div. 455.

The two cases last cited are not, in principle, distinguishable from the present. In both cases the vessel sailed under a charter. In the former, almonds were injured by the fumes of petroleum carried upon a former voyage. BLATCHFORD, J., says, (p. 344:) "The owner's contract, in this case, was to provide a vessel fit to carry this cargo. She was not fit. The shipper took no risks but the perils of the sea, and the damage in this case was not a peril of the sea." At page 354 he says, again: "The ship-owners, not the charterers, took, under this contract, the risk of the condition of the vessel,—the risk of there not being heat and steam, and the risk of so cleansing the vessel as to take the cargo safe from petroleum damage, notwithstanding heat and steam." In *Cohn v. Davidson*, the ship, though apparently seaworthy when she sailed, foundered at sea from some unknown cause. The ground of the shipper's liability is there fully discussed by the court; and the owners were held liable because, "by the nature of the contract, they impliedly and necessarily warrant that the ship is good, and in a condition to perform the voyage then about to be undertaken, or, in ordinary language, is seaworthy; that is, fit to meet and undergo the perils of the sea and other incidental risks to which she must, of necessity, be exposed in the course of the voyage, (*Kopitoff v. Wilson*, 1 Q. B. Div. 380;) and this implied warranty attaches and has reference to all the conditions of the ship at the time she enters upon her voyage."

However unexpected the crankness of this ship may have been, the evidence clearly shows that from the moment she got to sea she was in an unseaworthy condition, and unfit to encounter the ordinary perils of a sea voyage. The jettison was made necessary, not from any unusual stress of weather she met, for there was none such, but from her unseaworthy condition when she sailed.

The libelants must therefore be held responsible for the loss, upon the express as well as implied terms of the contract, as in the cases above cited, and in *Hubert v. Recknagel*, *ut supra*, and the case of *The Regulus*, 18 FED. REP. 380. The grounds upon which the case of *The Titania* was decided (19 FED. REP. 101, 107) are not applicable here; and in the case of *Lamb v. Parkman*, *supra*, the mode of stowage in no way affected the seaworthiness of the ship, so as to constitute a breach of the express or implied warranty of the charter and bill of lading.

The libelants must therefore be held answerable upon the bond heretofore given in these proceedings.

Section 4283 requires not only the surrender of the ship, but also of the pending freight. No bond has been given on account of any pending freight. These terms must be held to include at least the freight accruing and earned up to the time of the loss. The libel-

ants may amend their proceedings by including the pending freight, and paying the amount into court, or giving bond therefor, in addition to the bond already given. If the proportion of net freight earned up to the time of the loss is not agreed on, a reference may be taken to ascertain it.

The defendant is entitled to the costs of this trial.

THE STATE OF TEXAS.

(District Court, S. D. New York. April 29, 1884.)

1. COLLISION—TURNING IN THE EAST RIVER—LOOKOUT—OVERTAKING VESSEL.

A steamer in the East river, having upon her own starboard hand another large steamer, evidently engaged in turning around in a way that must cross the course of the former, is bound to keep out of her way, and give room for her necessary path in turning. When that duty has attached, she cannot relieve herself of it by getting across the bows of the latter and claiming that the latter is then in the position of a following or overtaking vessel.

2. SAME—CASE STATED.

A large steamer, engaged in making a turn in the East river, is bound to special watchfulness and care to avoid contact with other vessels. The lookout having failed to continue his attention to a tug and tow on the opposite side of the river, and a collision having happened, which, by such attention, would have been avoided by the steamer's timely backing, *held*, that both were in fault,—the steamer for inattention, and the tug for steering across the steamer's path, instead of stopping, as she might have done.

The libel in this case was filed by the owners of the schooner Knight, to recover damages for a collision with the steam-ship State of Texas, on the twenty-first of March, 1882, about 7 A. M., near the middle of the East river, a short distance above the Brooklyn bridge. The schooner was in tow of the steam-tug Unit, on a hawser from 30 to 35 fathoms long. They were going from Wallabout down the East river, and, until coming near the bridge, had been going within a few rods of the Brooklyn shore, with the tide strong flood. The top of the mizzen-mast, including the flag-staff, was about 125 feet from the water, requiring her to pass nearly under the center of the bridge, and it was while going from her previous position near the shore, across, to pass near the center of the bridge, that the collision happened.

The state of Texas is a steamer of about 1,800 tons register, and 249 feet long. She had come in from sea that morning, bound for pier 20, East river, which is below the bridge; but she was prevented from landing there through the presence of another schooner, which was in the way. She accordingly drifted up, moving slowly, and gradually turning under a hard a-port wheel, designing to make a landing at the pier by returning heading against the tide. In making this turn, and going back and forth in the process, she drifted

somewhat above the bridge. When the schooner and tug were first seen from the State of Texas they were close to the Brooklyn shore, as above stated, while the State of Texas had her stern very near to one of the ferry slips above the bridge, on the New York side, and was pointing nearly across the river, but a little up, in the region of the Empire stores. The steamer moved ahead under a hard a-port wheel, gradually turning downwards. When the tug and schooner were seen coming across the river, the steamer's engines were reversed full speed, but not in time to avoid hitting the starboard bow of the schooner, from which the latter received some injury.

Owen & Gray, for libelants.

Butler, Stillman & Hubbard, for State of Texas.

Scudder & Carter and Geo. A. Black, for the Unit.

Brown, J. The pilot of the Unit saw the State of Texas when her stern was very near the New York shore, a little way above the bridge, when she was headed nearly across the river. He had no right to suppose at that time that she was merely drifting. Any proper observation of her previous movements, which were clearly visible, would have shown that she was engaged in turning round, and the Unit must therefore be held chargeable with knowledge that the steamer was engaged in that maneuver. The pilot of the Unit had the steamer at that time on his own starboard hand. He was bound to anticipate just what happened, that she would move out into the river for the purpose of turning. He was bound to keep out of her necessary way, and to leave her room reasonably sufficient to execute the maneuver in which the steamer was then engaged, precisely as he would have been bound to keep out of the way of a schooner beating downward, which had run out her tack and was in stays in coming about. This he might have done without difficulty or danger, by stopping before approaching the center of the bridge, as the tide was flood. Instead of doing so, he went on with unabated speed, veering to the westward to reach the central portion of the bridge, and while thus passing the necessary path of the steamer in executing her turn, he drew the schooner directly in the way of the steamer's course; and he must, therefore, be held chargeable with fault in bringing about the collision.

The steamer was not in the position of an overtaking vessel bound to keep out of the way; certainly not so before the tug had violated her duty of keeping out of the way of the necessary course of the steamer in making her turn. Where one steamer is bound to keep out of the way of another on her starboard hand, their courses being intersecting, she certainly does not relieve herself of that duty by crossing the path and getting under the bows of the latter. She cannot plead her own fault as a justification, and claim that the vessel thus wrongfully brought on the quarter or astern, is in the situation of an overtaking vessel, and thus reverse the original obligation on her own part to keep out of the way. If the courses are intersecting,

the rule is the same, though she be a little ahead. *The Cayuga*, 14 Wall. 270, 275. The steamer in this case was not two points aft of abeam, but on the Unit's starboard hand, when the latter began her sheer; and hence the steamer was not a following or overtaking vessel. *The Franconia*, 2 Prob. Div. 8; *The Cayuga*, *supra*. There was danger of collision from the very act of sheering to the westward, and the Unit was therefore bound to refrain from such a change. *The Nichols*, 7 Wall. 656; *The Free State*, 91 U. S. 200.

But the State of Texas cannot be excused from fault. The navigation of the steam-tug with the schooner upon a hawser, from the moment when they were first seen near the Brooklyn shore, was such as to require special watchfulness to avoid a collision. The high masts of the schooner evidently required her to approach the center of the bridge, if she continued on. The turning, moreover, of a steamer of such size as the State of Texas in so narrow a place as the vicinity of the bridge, required careful and continuous watchfulness. While the difficulties of handling the steamer are fully recognized, and while I am satisfied that the captain did the best he could, I think the testimony shows clearly that the lookout on the steamer was not as attentive to the course of the tug and tow, after he had first seen them, as the situation required. The evidence shows that after seeing them first, near the Brooklyn shore, he did not suppose they required particular attention; and that he did not observe them again until some little time after, when the tug was already crossing the steamer's path. Had the tug been noticed, as she ought to have been, when she commenced her sheer to the westward, there would not have been any difficulty in the steamer's reversing in time to prevent the collision. She was not noticed until too late, although the steamer's engines were put full speed astern. The previous fault of the tug did not relieve the steamer of her duty to keep constant watch for the purpose of avoiding injury. *The Maria Martin*, 12 Wall 31; *The Vim*, 12 FED. REP. 906; *The Pegasus*, 19 FED. REP. 46. In this respect I must hold the steamer also liable, and award a decree against both in favor of the libellant, with costs.

FLASH and others v. WILKERSON and others.

*(Circuit Court, W. D. Tennessee. May 22, 1884.)***FRAUDULENT CONVEYANCE—RIGHTS OF CREDITORS IN EQUITY—SECURITY FOR ADVANCES BY FRAUDULENT VENDEE—EFFECT OF ATTACHMENT.**

In setting aside a fraudulent conveyance the cardinal rule of equity is to restore the creditors to what they have lost by the transaction, and their rights are satisfied when they are placed *in statu quo*. The court does not seek to improve their condition by imposing forfeitures and penalties for the sake of punishing the fraud. Where, therefore, the goods are immediately attached, taken from the vendee before they have been lost, damaged, or depreciated in his hands, and have been sold by the court at a small advance over the price paid by the vendee, the money being in court for distribution, the court did not, on the facts of the case, charge the vendee with any additional sum to increase the value, and allowed the fund to stand as a security to the vendee for a *bona fide* debt paid by the debtor out of the price given by the vendee.

In Equity.

Wilkinson, a retail grocery merchant at Jackson, Tennessee, suddenly and secretly sold his stock of groceries to Hopper, a speculator, for 75 cents of the invoice price, the purchaser paying in cash \$6,100, of which the debtor paid to one Bond the sum of \$3,000, and to one Smith the sum of \$2,250, they being alleged creditors for borrowed money, and residing at Jackson, thereby preferring them to his commercial creditors, of whom he purchased the goods, and to whom he owed about \$11,000. The day after the sale the creditors filed this bill, attached the goods, which were sold by the receiver for a few hundred dollars advance over the Hopper purchase, and the fund is in court to abide the determination of this case. It was conceded on the proof that the Bond debt was an honest debt for borrowed money used in the business, but the Smith debt was attacked as one fraudulently fabricated to enable the debtor to conceal the money. The court stopped the concluding argument before it was entirely ended, and directed a decree for the plaintiffs.

McCorry & Bond, for plaintiffs.

Hayes & Bullock, for Hopper.

Caruthers & Mallory and Campbell & Brown, for Wilkinson.

HAMMOND, J., (*orally*.) The further consideration of this case would serve no useful purpose. The adjudications on the subject of fraudulent conveyances are so numerous, variable, and conflicting that no court can undertake the task of deciding any case according to strict precedents. The most it can hope to do is to gather together the principles that should control its action and apply them to the case in hand, leaving each case to be governed by its own peculiar circumstances. The doctrines that govern a court of equity are not difficult to understand, and are mostly familiar to all courts,—the only trouble being to properly apply them to each case.

That this was, on the facts proven, a fraudulent conveyance there can be no doubt, and the sale will be set aside. It is not necessary