enable the owners of the tug to obtain any unfair advantage in respect" to the amount for which they should be accountable in limiting their liability under the statute; and where there is any reason to suspect that the sale was greatly below the market value of the vessel, or that the sale was made a means by which the former owners might reduce the amount for which they were responsible, while they indirectly retained the benefit of the vessel, I have no doubt that the court may relieve the parties interested by inquiring into the facts, and requiring a larger sum than the proceeds of the sale thus obtained. The libelant in the libel for repairs, under whose decree the vessel was sold, has an undoubted lien upon the vessel and her proceeds. There has not, as yet, been any decree in the damage suit, and there is nothing, therefore, to displace the repair lien. Accordingly, as I have already held in Gokey v. Fort, 44 Fed. Rep. 364, the petitioners, in order to limit their liability with respect to claims arising upon the third voyage after the repair lien accrued, must surrender the vessel, or her proceeds, free from that lien. They must, therefore, in any event, as the case now stands, give a bond for the whole amount in court, because that amount is less than the repair lien, and the amount now on deposit will, for aught yet known, be absorbed by that lien. As respects the damage claim not yet adjudicated, the libelants therein may, if desired, within five days take an order of reference to ascertain whether the sale by the marshal was for a sum greatly below the fair and reasonable value of the vessel at such a sale, and whether the same was purchased directly or indirectly for the benefit of the petitioners, or either of them; if so, what was the fair value of the vessel at the close of the voyage? such libelants, at the time of filing their order, to enter an appearance, and give security for the payment of the costs of such reference, if the price realized at the marshal's sale is finally sustained for the purpose of the petitioners' application; and the determination of the amount of the bond to be given by the petition. ers is reserved until the coming in of said report, if such reference be taken. If not taken, a bond for the price realized at the marshal's sale will be approved.

NATIONAL BOARD OF MARINE UNDERWRITERS v. MELCHERS.¹

(District Court, E. D. Pennsylvania. January 6, 1891.)

1. ADMIRALTY-RELEASE OF ATTACHED PROPERTY-ADDITION OF PARTIES. Where a suit has been brought against one of two ship-owners, and property attached thereunder released before the name of the other owner is introduced, the suit must be regarded as against the original respondent only.

- 2. SHIPPING-AVERAGE-LIABILITY OF OWNER.
- A part owner of a vessel is liable in solido for a balance due on an average ad justment.
- ADMIRALTY-JURISDICTION-RECOVERY ON AVERAGE ADJUSTMENT. A district court proceeding in admiralty has jurisdiction by foreign attachment in a suit against a vessel owner to recover a balance due on an average adjustment.

¹Reported by Mark Wilkes Collett, Esq., of the Philadelphia bar.

4. SAME-CONFLICT OF LAWS-AVERAGE ADJUSTMENT.

A vessel having been damaged put into Fayal, and was unable to proceed on her voyage. Her cargo was removed, and the vessel sold. The master sought a substitute, but was unable to find one. He then collected *pro rata* freight from the underwriter's agents, who shipped the cargo to its destination, advancing the necessary supplies, and chartering a vessel. *Held*, although the bill of lading at Fayal was in the master in the mastering average the read of a subwas taken in the master's name, the voyage was abandoned, and a severance of in-terests occurred there, and hence the rights of the parties in an adjustment are to be determined by the rules prevailing at Fayal, even though no demand was made there for an adjustment.

In Admiralty.

Libel in personam to recover the proportion of general average expenses incurred by the defendant as owner of the bark Walraven Melchers. The Dutch bark Walraven Melchers, on a voyage from Hamburg to New York, with a general cargo consigned to several owners, sprung a leak, and bore away for Fayal, where she arrived. A survey was called by the master, and under the advice of the surveyors the cargo was discharged and stored. By a subsequent report the surveyors recommended the vessel to be sold, which was accordingly done. The master notified his owners, the defendants, who declined to furnish any funds, and the cargo was brought on to New York by a vessel chartered for that purpose by the plaintiffs, as agents for the underwriters or cargo. The various expenses incurred at Fayal were paid partly by a credit opened by the libelants and moneys raised by a respondentia bond on cargo paid by libelants, and partly from funds arising from the sale of the vessel. The master remained at Fayal at the instance of the underwriters' agents there. The vessel's funds were placed in the hands of the master's agent, the vice-consul of the Netherlands, who disbursed the same. Almost all the cargo was shipped from Fayal by the Geestemunde, the chartered vessel, in the name of the master of the Walraven Melchers, deliverable to the order of Messrs. Peter Wright & Sons at New York. The freight from Fayal by the Geestemunde exceeded the original freight from Hamburg to New York. The master exacted from underwriters' agents, before allowing the cargo to be forwarded, distance or pro rata freight on the part of the voyage performed by the Walraven Melchers from Hamburg to Fayal, which was paid by them to the master under protest, in order to obtain possession of the cargo to be forwarded to the United States. The master did not cause any valuation or appraisement of the cargo to be made, nor procure an average adjustment to be prepared at Fayal, and the funds to provide for carriage of cargo to the United States were furnished by the underwriters' agents at Fayal, who after its arrival in New York had an adjustment made there, by which the owners of the vessel were declared debtors to the owners of the cargo. This suit was begun by attaching in Philadelphia the bark Jan Melchers as defendant's property. After the release of the vessel, Andrian Hemmes, a halfowner of both vessels, was made a party by amendment.

Morton P. Henry, for libelants.

Cutler v. Rae, 7 How. 729, has been overruled by Morewood v. Enequist, 23 How. 491, and Insurance Co. v. Dunham, 11 Wall. 1, and has been recognized to be overruled in San Fernando v. Jackson, 12 Fed. Rep. 341; Coast

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Wrecking Co. v. Phænix Ins. Co., 7 Fed. Rep. 236; Belt v. Gumbel, 24 Fed. Rep. 383; Heye v. North German Lloyd, 33 Fed. Rep. 60; Olivari v. Insurance Co., 37 Fed. Rep. 894; Sweeney v. Thompson, 39 Fed. Rep. 121; Wheaton v. Insurance Co., Id. 879. Foreign attachment lies in admiralty. Atkins v. Disintegrating Co., 18 Wall. 272; Manro v. Almeida, 10 Wheat. 473. The place for adjustment is the place of final destination. Barnard v. Adams, 10 How. 270; Bradley v. Cargo of Lumber, 29 Fed. Rep. 648; McLoon v. Cummings, 73 Pa. St. 98. A transshipment of the cargo to complete the voyage does not end the adventure. Pierce v. Insurance Co., 14 Allen, 320; Winter v. Insurance Co., 30 Pa. St. 334. The respondent is not entitled to the benefit of Act Cong. June 26, 1884. Card v. Hine, 39 Fed. Rep. 818; The Amos D. Carver, 35 Fed. Rep. 665. The master was not entitled to pro rata freight. Armroyd v. Insurance Co., 3 Bin. 437; Welch v. Hicks, 6 Cow. 504; Vilerboom v. Chapman, 13 Mees. & W. 230; 1 Pars. Mar. Law, 166; The Joseph Farwell, 31 Fed. Rep. 844.

Horace L. Cheyney, J. Rodman Paul, and A. Lydney Biddle, for respondent.

Ship-owners are not partners, and respondent is only liable for a moiety. 1 Pars. Shipp. & Adm. 116; Hen. Adm. 67; 3 Kent, Comm. 151; Cutler v. Rae has been formally approved by the supreme court in Dupont De Nemours v. Vance, 19 How. 171; Bags of Linseed, 1 Black, 108. Prorata freight is allowable by law of Germany. Articles 630, 632, Code of Commerce for all Germany. Liverpool, etc., Co. v. Phenix Ins. Co., 129 U. S. 397, 9 Sup. Ct. Rep. 469. By law of Holland. Article 478, Commercial Code Netherlands. Article 1526 of Portuguese Code. By law of United States. Abb. Shipp. (12th Ed.) 369; Pars. Shipp. & Adm. 239; Luke v. Lyde, 2 Burrows, 883; Hunter v. Prinsep, 10 East, 378; Bork v. Norton, 2 McLean, 422; The Nathaniel Hooper, 3 Sum. 542; Gray v. Waln, 2 Serg. & R. 229. An adjustment should be made at the points of the separation of interest. Lown. Av. (4th Ed.) 281; Gourl. Gen. Av. 4207.

BUTLER, J. In disposing of this case I will confine myself to the points urged at the hearing; and will do little more than state conclusions respecting these. Some of them involve doubt and difficulty. None of them, however, are new in their legal aspect, and, while the authorities are not harmonious, they have been so fully discussed that nothing additional can be advanced. The suit was brought against one of the ship's owners, alone, and the property attached was released before the name of the other was introduced. Its introduction was, therefore, too late. The suit must be regarded as against the original respondent only. In my judgment, however, he is answerable for the entire liability of the ship. As said in Parsons on Shipping, p. 89, all part owners are generally, liable, *in solido* for repairs and necessary supplies. The cases cited support the text.

The court has jurisdiction. In the absence of *Cutler* v. *Rae*, 7 How. 729, this I believe would not be questioned. That case, however, cannot be regarded as authority. Its decision as respects the point, was unfortunate. The question was neither argued nor presented—as appears by an appendix to 8 How. p. 616—and the decision (which did not pass without dissent in the court itself) was a surprise to the profession. The later rulings of the same court show it to have been a mistake, (*More-*

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wood v. Enequist, 23 How. 491; Insurance Co. v. Dunham, 11 Wall. 1;) and these later cases have been followed in the circuit courts, (Belt v. Gumbel, 24 Fed. Rep. 383; Heye v. North German Lloyd, 33 Fed. Rep. 60; Olivari v. Insurance Co., 37 Fed. Rep. 894; Sweeney v. Thompson, 39 Fed Rep. 121; Wheaton v. Insurance Co., Id. 879.)

Should the average adjustment be made in accordance with the rule prevailing at Fayal, or those in force at New York? This question involves difficulty. I think, however, the views expressed by Mr. Lowndes, in his work on General Average, p. 198, are sound and govern the subject. I therefore adopt them. As he says, where a vessel is wrecked, or so damaged by peril of the sea, that the voyage cannot be continued, and the master finds and substitutes another, whereby the cargo is carried to its destination, retaining his lien and earning freight, no separation of interests occurs until the destination is reached. Consequently the adjustment is to be made according to the rules prevailing there. Where the master forwards the cargo to its destination by another vessel in pursuance of his agency for its owners, alone, without intention to retain his lien and earn freight, the adjustment is to be made according to the rules of the place of reshipment. The intent in such case, however. may be and sometimes is involved in doubt by taking a bill of lading in the master's name, and consigning the goods to the ship's agent. Where the cargo is furnished by or on behalf of its owners, without retention of the ship's lien, the separation of interests occurs at the place of reshipment, and the adjustment must, consequently, be made according to the rules prevailing there.

In view of this statement of the law my understanding of the facts in the case settles the question involved. The vessel was unable to proceed beyond Faval. She was so damaged as to render the cost of repair uniustifiable. The master sought a substitute but was unable to find one. He was not required to do more, and consequently abandoned the voyage. The libelants, who represent the underwriters directly, and the owners of the cargo indirectly, in view of these facts took charge of the cargo, chartered the vessel, advanced necessary supplies and carried the cargo to its destination. The libel substantially admits these facts: It says the "master abandoned the voyage, * * * and the libelants assumed the duty of master and owner of the vessel towards it, advanced the money required to pay all expenses incurred at Fayal * * * in order to obtain possession, and chartered the North German Geestemunde to carry it to New York." That the voyage was completely "abandoned" by the master, and that he intended to have no further connection with the cargo after its delivery to the libelants at Fayal, is I think made clear by his acts and declarations, and especially by his demand of pro rata freight. I do not attach importance to the fact that the bill of lading at Fayal was taken in the master's name. This was done probably at the suggestion of others, and for the sake of convenience merely. He did not retain his hold on the cargo; but consigned it to the libelants' agent. In my judgment the ship's connection with it was completely severed at Fayal. Mr. Despard, an adjuster and the libelants'

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representative, a gentleman of intelligence and experience, adopted this view, as appears by his testimony.

It follows that the rights of the parties are to be determined by the rules prevailing at Fayal. The respondent is not affected by the fact that he did not demand an adjustment there before parting with the cargo, as possibly he might be were he now suing for a balance on general average. He is here defending simply against a claim set up by others.

In this view of the facts found, it follows also that the demand of *pro* rata freight was justifiable. It is unnecessary to inquire whether the latter subject was governed by the law of the ship's flag, the place of contract or that where the voyage terminated. The laws of each in this case justify the charge. An adjustment must therefore be made according to the foregoing opinion. If the parties do not agree upon such an adjustment, a commissioner will be appointed.

SPRECKELS et al. v. THE STATE OF CALIFORNIA, (PACIFIC COAST S. S. Co., Intervenor.)

(District Court, N. D. California. December 22, 1890.)

SALVAGE-CONTRACT FOR COMPENSATION.

The owners of a certain vessel, on receiving a dispatch that she was disabled, engaged a tug of libelants to proceed to her relief for a stipulated compensation. They afterwards agreed to employ another tug of libelants for the same purpose, and at an agreed price, in case a dispatch should be received showing the vessel's position to be different from that supposed when the first tug started. Such a dispatch was not received, but the owners employed a tug of others than libelants to proceed after the vessel. Libelants then sent their second tug, which brought in the vessel. The owners, when informed that such tug had gone, made no protest. Held, that libelants were entitled to the stipulated amount, but not to other salvage compensation.

In Admiralty. Milton Andros and Chas. Page, for libelants. Geo. W. Towle, Jr., for claimants.

HOFFMAN, J. On the afternoon of January 3, 1890, Messrs. Goodall & Perkins received a telegraphic dispatch from the first officer of the steamer State of California, dated "Bowen's Landing, via Walhalla," informing them that the steamer had broken her shaft, that her rudder was disabled, and that assistance was required to tow her into port. The steamer was then three days overdue, and her non-arrival had given rise to serious apprehensions for her safety. Her value, with her cargo and freight, was about \$300,000. She also had on board 130 passengers. On receiving this dispatch, Ex-Gov. Perkins immediately opened negotions with Mr. J. D. Spreckels, representing the libelants, who are the owners of five powerful and well-equipped tugs, for the dispatch of one of them to the assistance of the disabled vessel. A written contract was

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executed, under which the Vigilant was at once sent out to perform the service at a stipulated rate per diem to be paid at all events, and irrespective of the failure or success of her mission. Shortly after her departure Mr. Spreckels suggested to Mr. Perkins that, on comparing the longitude of the position of the disabled vessel with the time consumed by the mate in reaching the shore, he was satisfied that the longitude was incorrectly stated in the dispatch; and that if, as he suspected, the vessel's true position was much further to the eastward, a second tug should be sent to seek for the steamer in her corrected position. In this suggestion Mr. Perkins at once acquiesced. A dispatch was sent to the mate, and an agreement made with Mr. Spreckels that the Relief should be put in readiness to start if the mate should reply that the position of the steamer was erroneously stated in his first dispatch. The parties also came to an understanding as to the compensation to be paid to the Relief if its services should be required. The mate's reply was momently expected; and it was arranged that Capt. Hawley of the Relief should call at 5 o'clock at the office of Mr. Perkins, and receive from him an order for the expected dispatch, if, in the mean time, it had not arrived. Later in the afternoon Mr. Perkins was called upon by Capt. Gray and Capt. Griffith, representing the Merchants' & Ship-Owners' Tug-Boat Company. They appear to have objected with some warmth to his employment of a boat of a rival line, and Mr. Perkins was induced, or, perhaps, felt himself obliged, to enter into a contract with them for the dispatch of the Monarch in quest of the disabled steamer. Some doubts of Ex-Gov. Perkins' good faith in this transaction seem to be entertained by the advocate for the libelants. But I see no sufficient reason to impute to Ex-Gov. Perkins an intention to induce the libelants to make preparations for the dispatch of the Relief at a moment's notice, if the mate's expected dispatch had shown the steamer much nearer shore than at first reported, when, in point of fact, he did not intend to dispatch her in any event. As already stated, the steamer, with cargo and freight, was worth some \$300,-She had on board 130 passengers. Motives of interest and of 000. humanity suggested the necessity of omitting no measures to secure her safety. If the mate's expected dispatch had shown her position to be one degree of longitude nearer the coast than at first reported, the dispatch of the Relief to search for her at or near her corrected position would be dictated by humanity, as well as by a just regard to the material interest in charge of her agents. When the Monarch started, the second dispatch had not been received. She therefore set out without any other information than that possessed by the Vigilant. The Vigilant was as capable of performing the service as the Monarch, and the compensation to be paid the latter was limited to 60 hours' service at the stipulated rate. Why, then, was the Monarch employed? The answer is obvious. It was from the fear that, if not bound by a contract, the Monarch would at once start out as a volunteer salvor, and, in the event of success, claim a salvage reward, perhaps 10 or 20 times as great as the price at which she was willing to contract to perform the service.

This apprehension was, I think, founded on a misapprehension of the law. Had the agents of the Monarch been informed that a tug had already been dispatched, and that another was held in readiness to start at once on the receipt of intelligence then momently expected, and that the owners had taken all measures in their judgment necessary to secure the steamer's safety, the Monarch would have had no right to obtrude her services on the steamer, and, forestalling the tugs dispatched and to be dispatched by the owners, claim a salvage recompense out of all proportion to the price at which she was willing to undertake the service. In the case of Protection Co. v. The Charles P. Chouteau, 5 Fed. Rep. 463, where aid tendered to a burning vessel was absolutely declined, but an attempt was made to compel the acceptance of the services of the pretended salvors, the court not only refused salvage reward, but held that all right to compensation for expenses incurred in going to the relief of the burning vessel was forfeited by the misconduct of the intrusive salvors. In this case, BILLINGS, J., observes:

"If the master of a burning vessel prefers to allow her to burn, rather than to permit outside parties to extinguish the flames, he may do so. He has a perfect right to decline any assistance that may be offered him. He should not be assisted against his will."

I should hesitate to accept the view of the master's right and duties as broadly as it is here laid down. But where the owners of a vessel in peril have taken all measures in their judgment necessary to insure her safety, and those measures are adequate, and all that prudence requires, other parties have no right to obtrude their services, and anticipate the employment of the means adopted by the owners, and then, if successful, claim a salvage recompense. Such an enterprise savors more of a predatory expedition than a salvage service to be encouraged and rewarded on grounds of public policy. It is said by Mr. Justice BRADLEY in The Bolivar v. The Chalmette, 1 Woods, 398:

"If my ship is disabled, but perfectly safe for the time being, and I go ashore to employ a tug-boat to tow her into port in mild weather, then presenting no danger or risk, can the owners of vessels whose business it is to do just such work decline my employment, and hasten off in a race to see which shall first seize my ship as a salvage prize? This, instead of encouraging that enterprise and daring which the laws relating to salvage are intended to foster, would be to encourage sharp practices and unconscionable speculation."

In this case the agent of the tug-boat declined the office of towing the bark for an agreed compensation, but said he was going down to take his chances as a salvor, and make a claim for salvage services. Mr. Justice BRADLEY characterizes this conduct as "somewhat extraordinary," and adds:

"Had not the captain finally yielded to this proposition, * * * it might well have been doubted whether it was a case of salvage at all."

These observations are commended to us not less by their justice and good sense than by the authority of the eminent judge by whom they were made.

At 5 o'clock Capt. Hawley called, pursuant to appointment, at the office of Goodall, Perkins & Co., and was informed that no dispatch had been received from the mate. He was also told, as he says, by Gov. Perkins, that Capts. Gray and Griffith were "kicking" because he had not taken one of their tugs, and he thought he would have to take the Monarch. Capt. Hawley replied that he was coaling up the Relief, and would be ready shortly; to which Gov. Perkins answered that it was not necessary, as he thought he would take the Monarch. In fact he had already engaged her. Capt. Hawley was informed a few minutes after leaving the office that orders had been given to the Monarch to go out as soon as possible. He at once telephoned to Mr. Spreckels the information that the Monarch was about to start, and received in reply orders to dispatch the Relief at once. She accordingly put to sea at 7:30 P. M. of the 3d, and returned on the morning of the 5th, with the steamer in tow. (For this service a salvage compensation is claimed. It does not appear that Capt. Hawley received from Gov. Perkins any precise and definite announcement that he had abandoned all idea of dispatching the Relief, and would release her from her conditioned engagement, to be in readiness to start on the terms agreed upon if the mate's second dispatch should show the steamer's position to have been erroneously stated. He did say, however, that he would have to take the Monarch, and that he thought it unnecessary for the Relief to continue her preparations for immediate departure, and he omitted to inform Capt. Hawley that he had made a contract with the Monarch, and even had had a verbal arrangement for her employment before he made the agreement with Mr. Spreckels for the services of the Relief. Whether Gov. Perkins had finally and absolutely determined not to employ the Relief, no matter what information as to the steamer's true position might be communicated by the mate, it is impossible to say. But it is evident that Mr. Spreckels and Capt. Hawley considered themselves released from their agreement to hold the Relief in readiness to go to the assistance of the steamer on the terms agreed on, if required, on the receipt of the mate's dispatch. I am inclined to suspect that the dispatch of the Relief was largely due to irritation at the employment of a tug of a rival company, and to resentment at what they considered unfair treatment on the part of the claimants. But the right of the libelants to a salvage recompense does not depend upon the result of any inquiry into the motives and probable intentions of the claimants. It must be determined on principles broader and more susceptible of general application. The owner of a vessel disabled or in distress does not thereby lose the control of his property. He has the right to refuse or accept any offers of assistance that may be made, or to adopt his own measures for the preservation of his vessel. When he has provided means for her rescue, in his judgment adequate and effectual, he is not at the mercy of any stranger who, with full knowledge of this fact, may sally out to "take his chances" of winning in a race "to see which shall first seize the ship as a salvage prize." The Bolivar v. The Chalmette, ubi supra. That the claimants had the right to employ the Monarch, or as many other tugs as they saw fit, cannot be questioned. They had already dispatched the Vigilant, belonging to the libelants, to the assistance of the disabled steamer. The Monarch was about to start on the same errand. The Relief was sent out because the Monarch had been engaged. The success of her enterprise and securing of the salvage prize they hoped to gain depended not merely on her beating the Monarch in the race, but also the Vigilant, their own vessel, which was under contract to do all in her power to effect the towage service. Whatever be the justice of the libelants' belief that the claimants' intention was to "tie up" the Relief under the expectation of an employment which was not to be offered, they would have had no cause of complaint if the claimants had, when the mate's second dispatch was received, sent out the Relief on the terms agreed upon. I shall award the libelants all that they can justly claim, by giving the sum for which they were willing to undertake the service; nor shall I do any injustice to the claimants, for Gov. Perkins, when informed that the Relief had gone out on the preceding evening, made no protest, and expressed no dissatisfaction; on the contrary, he said that he was glad she had gone. The steamer was brought in by the Relief. Under all the circumstances, I think it just that the claimants should pay the stipulated price for the service.

THE ATHABASCA.

REID TOWING & WRECKING CO. v. THE ATHABASCA.

(District Court, W. D. Michigan, N. D. December 17, 1890.)

1. Collision-Negligence-Hazardous Undertaking-Failure to Warn Approaching Vessel.

The libelant constructed at Sault Ste. Marie a raft, 1,200 feet long, 250 feet wide, containing 1,500,000 feet of logs included in a sack-boom, consisting of timbers fastened together at the ends with chains, and having two or three cables thrown across to keep it from spreading. Two tugs were stationed, respectively, at the head and rear of the raft to help it along, and crowd it over to one side of the channel so as to permit of the passage of vessels. Entering a long, narrow channel in the Ste. Marie river, where the current is about four miles per hour, one of the tugs was sent down stream to warn approaching vessels. Such warning was given the Hiawatha and her tow, but none was given the Athabasca, a large steel passenger steamer, although her smoke was seen from the tug. As soon as the Athabasca became aware of the approach of the raft, she checked her speed as much as possible without losing her steerage, and kept as close as prudent to the Canadian shore. At this time the raft was sweeping rapidly down stream, with a tug at either end, striving to pull it to the opposite side of the river. This resulted in carrying over the ends, leaving a large bulge in the middle of the raft, reaching within 60 feet of the Canadian shore. The Athabasca, not having sufficient room left her in which to pass safely, changed her course, and went through the raft, steem on, breaking the boom and scattering its contents, resulting in a total loss, amounting to \$12,000, which the libelant seeks to recover. Hetd, that it was a hazardous undertaking to take a raft of, such size, form, and structure down the Ste. Marie swiftness of the current, and the occasional narrowness of the stream; and that it was an added negligence not to take effective measures to warn the Athabasea before she reached the narrows, her approach being known; and that such negligence constituted the cause to which the collision must be attributed.