

## MARITIME LAW - TWELVE YEARS INTO THE CENTURY

By Patrick J. Bonner

When Sarah asked me to speak during the Australian CLE Program, I readily agreed. She mentioned something about a Frank Dethridge or some name like that. Even though I had no idea what she was talking about, I said fine. When I read up about Mr. Dethridge and saw the formidable list of past, distinguished speakers of the Memorial Address, I had the same reaction that Honorable Mr. Justice Waung of the Hong Kong High Court had in 2004. I wanted to back out. However, I thought that if I tried, this might put this entire joint meeting in jeopardy. Not wanting to rupture the good relations between the United States and Australia, I decided to soldier on. However, I must start with some caveats. I am not an Australian lawyer and know very little about Australian law. I realized that I would bore you death if I spoke about American law and American cases so I had to come up with a topic that I thought would be relevant to you and might even hold your interest.

A few years ago, I read a book called Crazy 08 by Cait Murphy<sup>1</sup>. (Slide 2) . I thought it was going to be about Hillary Clinton, Barack Obama and the Presidential race in 2008. However, it was about the New York Giants, the Chicago Cub and the Baltimore Orioles and the baseball pennant race of 1908. I took her idea to heart and decided to speak about maritime law twelve years into the century. Not the 21<sup>st</sup> Century but the 20<sup>th</sup> Century. Yes, 1911 and 1912.

I think the years 1911 and 1912 mark the start of the modern era in maritime law. The sinking of the Titanic and subsequent investigations and conventions led to some semblance of international uniformity and eventually, the establishment of the IMO. The Titanic was responsible for the birth the International Ice Patrol and indirectly for the birth of the United States Coast Guard. The Coast Guard remains the prime regulator of maritime commerce in the United States. During this time in Australia, you enacted the Navigation Act, the Lighthouse Act and the Seamen's Compensation Act all passed during these years. This era may be the start of Australian nationalism in maritime law and also the supremacy of the Federal Government over the states in maritime law. In the United States, we also

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<sup>1</sup> CAIT MURPHY-CRAZY 08- HOW A CAST OF CRANKS, ROGUES, BONEHEADS AND MAGNATES CREATED THE GREATEST YEAR IN BASEBALL HISTORY (2007)

had the Jason<sup>2</sup> case which in effect allows parties to contract away protections given by maritime legislation. In the forefront as usual, New Zealand's maritime law was largely settled by 1911 and 1912 but I will discuss some important maritime developments involving New Zealand during these years later on in the program.

## TITANIC

We all know the basics of the Titanic story. (Slide 3). A British flagged ship, operated by White Star Line, she was the largest passenger steamship in the world. She was on her maiden voyage from Southampton to New York when she hit an iceberg four days into the crossing. She hit the iceberg at 11:40 PM on April 14, 1912 and sank at 2:20 the following morning. (Slide 4). The sinking resulted in 1,517 deaths, one of the deadliest peacetime maritime disasters in history.

Many wealthy Americans were onboard including John Jacob Astor, Meyer Guggenheim, Joseph Hays, President of the Grand Trunk Railroad, John Thayer, President of the Pennsylvania Railroad, and of course, the Unsinkable Molly Brown.<sup>3</sup> A first class parlor suite supposedly cost about \$69,000 in today's dollars<sup>4</sup>. In addition to the stewards and crew, 41 of the passengers brought their own personal maids. Traveling third class was not as pricey with the cost being \$172- 640 in today's dollars.

Following the sinking, there were investigations in the United States and Great Britain. In the United States, the investigation was chaired by the junior Senator from Michigan, William Alden Smith, (Slide 5), who had absolutely no maritime background. Smith started out as a popcorn salesman and then moonlighted as a correspondent for a newspaper. Prior to the Titanic investigation, his main claim to fame was that he was the nation's first paid game warden. After obtaining his law license, he became a recognized expert in railroad law. This apparently led to the U.S. House of Representatives and eventually the Senate.<sup>5</sup> When he heard of the casualty, he reviewed the existing legislation and saw that

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<sup>2</sup> THE JASON, 225 U.S.32(1912)

<sup>3</sup> DANIEL BUTLER- UNSINKABLE-THE FULL STORY (1998) P.23-32

<sup>4</sup> YAHOO- ANSWERS- Yahoo.com, (last visited October 8, 2011)

<sup>5</sup> WIKIPEDIA- William Alden Smith (last visited October 8, 2011); Butler, supra. note 3 at 180-184

there was very little regulating passenger vessels in the trans Atlantic trade. He quickly introduced a resolution in the Senate authorizing the formation of a sub-committee from the Committee on Commerce and naming him as its Chairman. He was quick enough to get the Senate to agree to the resolution and he was off to New York on April 18, 4 days after the casualty. He met the Carpathia in New York as many of the Titanic survivors were leaving the ship. (Slide 6). He boarded the vessel (Slide 7) and confronted Bruce Ismay, (Slide 8), the managing director of White Star. Ismay promised to appear the next morning as the first witness in the inquiry. Smith's investigation lasted six weeks during which time he called eighty-two witnesses, including 59 British subjects. Many in Britain questioned his right to subpoena and detain British citizens. His naiveté and inexperience with maritime matters made him a laughing stock in the British press. (Slide 9). In fact, the Hippodrome offered him \$50,000 to appear there and give a one hour lecture on any subject he chose. What we would call the tabloids of the day in Britain referred to him as Senator Watertight Smith because he asked one of the witnesses whether watertight compartments were meant to shelter passengers. One newspaper said that a schoolboy would blush at his ignorance. Another said that British seamen know something about ships. Smith does not.

In England, the Board of Trade conducted an inquiry. Lord Mersey, (Slide 10), formerly President of the Admiralty Division of the High Court chaired the English proceedings whose members included a number of admirals, a professor of Naval Architecture and the senior engineer assessor to the Admiralty. However, in effect, the Board of Trade was investigating itself because it had approved many of the practices that lead to the disaster. Senator Smith caustically pointed this out and said (Slide 11) "we shall leave to the honest judgment of England its painstaking chastisement of the British Board of Trade, to whose laxity of regulation and hasty inspection, the world is largely indebted for this awful fatality." <sup>6</sup>

The many causes of the casualty came out in the investigations. Senator Smith was especially hard on the Titanic's Captain Smith. (Slide 12). He stated "his indifference to danger was one of the direct and contributing causes of this unnecessary tragedy." Captain Lord of the Steamship Californian (Slide 13), sent a message to the Titanic that Sunday night stating that he stopped his ship because he was surrounded by ice. The Titanic operator replied to "shut up" and that he

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<sup>6</sup> REPORT OF WILLIAM ALDEN SMITH TO THE UNITED STATES SENATE- May 28, 1912

was “busy.”<sup>7</sup> In all, six messages were sent to the Titanic from other vessels about the ice. One asks- why were they ignored? A simple answer is that Bruce Ismay was a passenger and he wanted the publicity in New York that would surround the ship after making a fast passage across the Atlantic. In fact, he had given Captain Smith a list of the speeds he wanted the vessel to make during various parts of the passage. Ismay wanted the Titanic to make a quicker passage than her sister ship, the Olympic.<sup>8</sup> A slower passage would be comparable, in today’s world, for a computer company to bally-ho a new model that turned out to be slower than the model it was replacing. Imagine Bill Gates announcing a new version of a program that was slower than the previous one.

The total lifeboat capacity on the Titanic was for 1,178 people, (Slide 14), about a third of the Titanic’s total capacity of 3,547. The vessel was in compliance with the most recent British law dating from 1894 that required a minimum of 16 lifeboats for ships over 10,000 tons. In fact, the White Star Line actually exceeded the regulations by including four more collapsible life boats. Many of the lifeboats were not filled and only 704 people made it onto the lifeboats. There was criticism about discipline loading the life boats and Senator Smith said “it is said by some well meaning persons that the best of discipline prevailed. If this is discipline, what would have been disorder?”<sup>9</sup>

The Californian was close to the Titanic as the Titanic was sinking. In fact, crewmembers on the Californian saw flares shot by the Titanic but the Californian Captain thought them to be ship identification signals. The wireless operator on the Californian had gone to bed for the night and therefore was not at his station to receive the distress signals from the Titanic. The Californian Captain did not contact the Titanic once he was told about the flares since it would have meant waking up the wireless operator.<sup>10</sup>

The Titanic sank despite having a double bottom and sixteen internal bulkheads (Slide 15) that allowed for the rupture of the side hull and subsequent flooding in up to three compartments. Unfortunately, the Titanic had ruptured and

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<sup>7</sup> Id.

<sup>8</sup> BUTLER, *supra* at note 3, page 58-59

<sup>9</sup> *Supra*, note 6

<sup>10</sup> REPORT OF SENATOR SMITH, *supra* Note 6

flooded more than three of her compartments and she slowly filled with water. The bulkheads only went up to about three meters above the water line so once she started to lean forward due to the flooding in the forward compartments;(Slide 16) it was inevitable that she was going to sink.

The U.S. Senate report was blunt and direct. They recommended that there be lifeboats onboard the ship for every person on the ship. Each ocean steamer carrying a hundred or more passengers should be required to carry two electric searchlights. There must be a radio operator on duty at all times, day and night. The firing of any flares or rockets at sea for any other than an emergency will be a misdemeanor. Finally, they recommended specific measures regarding water tight integrity and water tight bulkheads.<sup>11</sup>

The British report was not as direct. (Slide 17). They appointed a bulkhead committee to study water tight integrity. In general, there should be life boats for everyone onboard but the Board may modify this requirement “as the Board may think right.”<sup>12</sup> They required radios and a continuous service by night and day. The Board’s most important contribution though and the game changer came in paragraph 24, (Slide 18) “that (unless already done so) steps should be taken to call an International Conference to consider as far as possible to agree upon a common line of conduct in respect of a) the subdivision of ships; b) the provision in working of life-saving appliances; c) the insulation of wireless telegraphy and the method of working the same; d) the reduction of speed or the alteration of course in the vicinity of ice, and e) the use of searchlights.”<sup>13</sup>

I think the English Board recognized that shipping was on its way to becoming a truly international business. Although the Titanic was built in Belfast, Ireland, flew the British flag and was crewed primarily by English seafarers, the registered owner was U.K. White Star Line that was controlled by the American industrialist, J.P. Morgan and most of the passengers were American. Thus, both countries had a strong interest in the casualty. Both countries had set up high level, totally independent investigations. The recommendation of the British Board was a large step towards uniformity.

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<sup>11</sup> Id.

<sup>12</sup> BRITISH WRECK COMMISSIONER’S INQUIRY REPORT ON THE LOSS OF THE TITANIC, July 30, 1912, RECOMMENDATIONS- paragraph 8

<sup>13</sup> Id at RECOMMENDATIONS, paragraph 24

Thirteen countries accepted the invitation of the British Board and the first International Conference on the Safety of Life at Sea convened in London on November 12, 1913. This Conference produced the first Safety of Life at Sea Convention (SOLAS) in 1914. The Convention was to enter into force in January 1915 but by then, World War I had broken out in Europe. The Convention did not enter into force but many of its provisions were adopted by individual nations. In 1927, proposals were made for another conference which was held in 1929. This time eighteen countries attended and a new SOLAS Convention was adopted. It entered into force at 1933. There have been subsequent SOLAS Conventions and the large majority of the world's shipping nations have ratified the most recent SOLAS Convention. When the United Nations set up IMCO in 1958, its purpose was to update SOLAS. IMCO became the IMO which is now the major worldwide regulatory body in the maritime field.

The other important program established at the 1914 Convention was the International Ice Patrol. It was agreed that the International Ice Patrol would consist of two ships which would patrol the traveling routes on the Atlantic to warn ships of possible ice hazards. All countries that had ships traveling to and from the United States would finance this patrol. The United States Navy had started to patrol the Atlantic for ice after the Titanic disaster. Due to its experience, the United States Government was invited to undertake the management of this service with the expense to be defrayed by the thirteen nations who attended the London Convention. The International Ice Patrol was founded on February 7, 1914 in Groton Connecticut.<sup>14</sup> This service eventually became the United States Coast Guard. Thus, in addition to SOLAS and all the other maritime conventions that followed, the U.S. Coast Guard also owes its birth to the Titanic.

### NAVIGATION ACT OF 1912

The years 1911 and 1912 were key years in the development of Australian Maritime Law. Prior to this paper, I had not studied much Australian history and this may be an advantage or a disadvantage depending upon your point of view. We New Yorkers think of New York as the center of the world but after checking a number of libraries in the city, I found only one book on Australian maritime law. It had articles by Sarah Derrington and Ron Salter, who are in the audience. Obviously, I could not speak to them about what they wrote so I had to find something else. Luckily, there was a friendly woman from New Zealand who was

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<sup>14</sup> [www.uscg-iip.org.general/history](http://www.uscg-iip.org.general/history) (last visited on October 8, 2011)

at the Library of Congress in Washington D.C. She found many original documents for me and had them waiting for me when I visited the Library. Some of them looked like they had not been touched since 1912.

I think in the years leading up to 1912, the country wanted to assert its own identity, apart from that of the United Kingdom and it also wanted to assert the authority of the central Government over the states in many matters, including navigation. What was later known as the Navigation Act of 1912 furthered both of these aims.

The Navigation bill was originally drafted in 1902 under the direction of Charles Cameron Kingston (Slide 19) and was first introduced into the Senate in 1904. It was withdrawn that year and a Royal Commission was appointed to examine the proposed legislation and to report to the Governor General of Australia, Henry Stafford Northcote.<sup>15</sup> It seems that a Royal Commission is the preferred way to bury controversial proposals. The Royal Commission was composed of the Minister of State, five members of the House of Representatives and three members of the Senate. The reason for the controversy seems to be the cabotage sections in the bill. The power of the British Shipping Companies was greatly resented in Australia around this time.<sup>16</sup> The British controlled shipping in Australia at the time. However, one would not necessarily know this from reading the 1906 Report of the Commissioners.<sup>17</sup> Most of the report deals with seamen issues.

An indication of the controversy is contained on pages 5 and 6 of the 1906 Report.<sup>18</sup> The Report states that due to the wide range of inquiry and number of suggested alterations, the Commissioners had to redraft the 1904 Bill. However, they put in the following pithy statement that says a lot. (Slide 20). They stated “this redraft, which has largely added to their labors, they had proposed to attach to this report; but, in view of the suggestion of the Imperial Government, that delegates from Australia and New Zealand should attend a conference to be held in

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<sup>15</sup> SEE- REPORT OF SELECT COMMITTEE ON THE NAVIGATION ACT, 1924 p2

<sup>16</sup> FRANK BEROZE-ISLAND NATION – HISTORY OF AUSTRALIA AND THE SEA

<sup>17</sup> REPORT OF THE ROYAL COMMISSION ON THE NAVIGATION BILL OF THE AUSTRALIAN COMMONWEALTH 1904 (1906)

<sup>18</sup> Id.

London, at which the whole question of navigation as it affects the empire might be discussed, its revision has been postponed for the present.” In other words, the Imperial Government said- don’t bother.

In the 1906 Report, the Commissioners tried to put a good spin on the Navigation Bill. The first point, which takes up over two-thirds of the report deals with decline in the number of British seamen and the increase of foreign seamen on vessels. The Report states “a radical change is urgently needed.”<sup>19</sup> The Report said that seaman must be treated more like workers ashore. This was the lynch pin for the provisions in the Navigation Bill that governed accommodations, provisions, cooks, wages, etc. in the Bill.

The Bill was again introduced into the Senate in September, 1907 but lapsed. It was introduced again in 1908 and in 1910 and it was ultimately agreed to by both Houses in 1912. However, there had been a change in the interim. The British had adopted the Merchant Shipping Act in 1906 which improved the conditions for seamen on British vessels. During the second reading of the Navigation Act on July 16, 1912, Representative Frank Tudor recognized that since the amendment of the Merchant Shipping Act regarding crew accommodations, there had been an increase of British seamen and a decrease of foreign seamen working on British ships. So one would ask- why bother with the new bill? I think there are two reasons they bothered- Frank Tudor and the cabotage provisions.

Tudor (Slide 21) was a staunch union man and prior to entering Parliament had been President of the Victorian Trades Hall Council. He was a felt hat maker by trade and he was one of the driving forces behind the bill. From the House debates, it seems clear that he wanted to improve the lot of seamen and also wanted to protect Australian trade. Although he led the fight in Australia against conscription and was the leader of the Labour Party, he never became Prime Minister.

The Navigation Act of 1912 goes further than the British Merchant Shipping Act of 1906. In the British Act, the space allotted to each seaman for his own use was increased from 72 cubic feet, (Tudor described this as the size of a grave<sup>20</sup>) to

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<sup>19</sup> Id at page 8

<sup>20</sup> HOUSE OF REPRESENTATIVES DEBATE- July 16, 1912, p. 5



120 cubic feet. Section 236 of the Navigation Act increased this to 140 cubic feet. In addition, the Navigation Act includes requirements that each ship have a separate mess room for the taking of meals by seaman and apprentices, bathrooms with an adequate supply of fresh hot water for the use of all members of the engineering gang and that the berthing accommodations not be below the water line of the ship.

Both the British Act and the Navigation Act required certified cooks. The British Act required certified cooks for foreign going vessels while the Australian Act required cooks on all British ships, Australian ships and all ships engaged in the coasting trade. The debate in Parliament on this point is funny. Representative Paddy Glynn (Slide 22) talks about a cook being the man the seamen must eventually swallow. Frank Tudor responded by quoting Gilbert & Sullivan's the Bab Ballads about a cook who is eventually eaten by the rest of the crew and says that Glynn will have to recite the ballad during the final debate on the bill.<sup>21</sup>

Not all the sections of the Navigation Act are so benevolent. Section 280 states that no person shall engage or pay for a passage on any ship for a lunatic or bring or send a lunatic onboard ship as a passenger without informing the owner, master or agent of the ship that the person is a lunatic. The fine is 50 pounds. The definition of lunatic does not just cover lunatics but any person who is liable to become a lunatic or a person of unsound mind. I could find no comparable section in the British Merchant Shipping of 1906 or in American law.

### **Cabotage**

I do not think anyone was fooled by the 1906 Commission's inference that the Navigation Bill was about the decline of the number of British seaman. The controversial sections were about Cabotage.

I cannot say how much of the controversy was real or how much was stirred up by English ship owner interests. With the advent of iron hulls, British shipping companies dominated world trade at the time. In 1890, roughly 90% of American trade was carried on foreign vessels, primarily British flag. Due to this monopoly, owners were often able to contract out of all cargo liability. Thus, some places,

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<sup>21</sup> Id at p.7. I have no doubt Glynn could do this. Glynn was said to be extremely well read. He was from Galway and had difficulty attracting legal work when he first came to Australia. He wrote to his brother that "trying to get business here as a stranger is like attacking the Devil with an icicle."

such as the United States, Australia, Canada and New Zealand retaliated by enacting pro shipper cargo liability legislation. In the U.S., we enacted the Harter Act in 1893. In 1904, Australia enacted the Sea-Carriage of Goods Act which prohibited owners from contracting out from their negligence. New Zealand passed a similar law- in 1903- the Shipping and Seamen Act. In 1910, Canada passed the Water Carriage of Goods Act also based on the Harter Act.<sup>22</sup> These pro cargo laws applied to domestic and outbound bills of lading only.<sup>23</sup> The English ship owners were thus fighting two battles- the cargo liability fight and the cabotage battle. After the U.S. enacted the Harter Act, there was little they could do in Parliament on the cargo liability front. This eventually led the British shipping interests to call for the International Law Association to do something. This led to the Hague Convention which enacted the Hague Rules in 1921. However, the British ship owners continued to fight on the cabotage issue.

On cabotage, there was an Imperial Conference in 1907 and the conference recommended that the coastal trade of the Commonwealth “be reserved for ships on the Australian register, i.e. ships conforming to Australian conditions and licensed to trade on the Australia coast.” Although the Navigation Bill was eventually passed in 1913, there was no Royal assent until after World War I had begun and at the request of the British government, the operation of the Act was postponed. The coasting trade provisions did not come into effect until July 1, 1921. Even after that, there was still great controversy and another commission was formed in 1924 to study the Act.

The Navigation Act did not specifically close the coast wise trade to foreign vessels but it required that foreign vessels comply with Australian law. Thus, Section 288 states that no ship may engage in coasting trade unless it is licensed to do so. Every seaman employed on a ship engaged in coasting trade had to be paid at the current rate for Australian seaman engaging in the same trade. If a seaman on a British ship was not engaged in Australia, the Master had to sign a memorandum specifying that the seaman would be paid Australian wage rates. Those sections of the Navigation Act on special provisions and accommodations space applied also to coasting vessels. Similarly, the rule on a certified cook also

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<sup>22</sup> RAOUL COLINVAUX- CARVER’S CARRIAGE OF GOODS BY SEA- 13 ed. pp441-443

<sup>23</sup> JOSEPH SWEENEY, COGSA AND THE HAGUE RULES, 22 JOURNAL OF MARITIME LAW AND COMMERCE 18 (January 1991)

applied to coasting vessels. In effect, the Act made Australian law applicable on every vessel engaging in the coasting trade.

The speech of the Representative Tudor on July 16, 1912<sup>24</sup> sets forth the main reason for the coasting provisions. I am sure he was quite passionate (and maybe a little un PC), when he said “our aim is to ensure that the conditions prevailing in the coasting trade onboard foreign ships shall be the same as applied to our own people. This policy may be taken to be an example of the new protection. It must be recognized by everyone that if we desire to build up a mercantile marine, we must protect Australian shipowners against unfair competition from subsidized foreign ships or poorly paid crews from other countries. If there is unfair competition on part of vessels carrying colored crews, we have a right to protect ourselves against it.... Firemen receive about 9 pounds per month and it is not fair to expect shipowners who have to pay these wages to compete with ships employing colored labor at about 1 pound per month per man. The owners of these ships obtain practically the same rates for carrying passengers and cargo between Australian ports as to Australian Shipowners... that is not fair competition. There is no intention, however, to preserve this trade for the Australian shipowner alone, but it is intended that the men who worked the ships, and who imperil their lives in doing so, shall also receive a share of benefits in the shape of Australian rates of wages, adequate accommodations, good food and other advantages conferred by the Bill.... this bill affords protection to Australian shipowners by providing that every outside ship which engages in the coasting trade shall carry a certain crew, according to a scale laid down, shall provide the prescribed accommodation for the men and shall pay them Australian rates or wages.”

What was the effect of this?

An issue wouldn't be controversial if there was an easy answer. The Commissioners who examined the Act in 1924 were divided 2-3-2.<sup>25</sup> The Chairman and one commissioner stated that the interstate shipping companies of Australia were still to a great extent owned and controlled by British overseas shipping companies. The cabotage sections did not change this. Therefore, these two commissioners voted that the section on coastal trade be repealed. Three

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<sup>24</sup> HOUSE OF REPRESENTATIVES DEBATE- July 16, 1912- p.15

<sup>25</sup> REPORT OF SELECT COMMITTEE ON NAVIGATION ACT (1924)

commissioners disagreed and found that the Navigation Act did not retard trade, industry or development of any of the states of the Commonwealth, and that there were few complaints in Australia about the application of the Act. These commissioners voted that the Act be maintained as it stands. The final two commissioners studied four companies and found that even though these companies had increased their fares and freights, the earnings were not matched because of the increases in crew pay and the costs of improving accommodations. These commissioners voted that the Coastal Trading Provisions of the Act be repealed and separate Tariff Acts be enacted against foreign shipping. There is a basis for their view as there was evidence given by the Melbourne Steamship Company that wages had increased by 65% over the 1914 figure and dockside labor was up 137%. A considerable sum was also paid making alterations to eight of its vessels to comply with the accommodation requirements of the Navigation Act.<sup>26</sup>

### **Wireless Provisions**

The Navigation Act was amended after the Titanic sinking to include wireless requirements. Every foreign going ship, Australian trade ship and coasting ship carrying fifty or more persons was required to be equipped with wireless communication that was capable of transmitting and receiving messages over a distance of at least 100 miles both day and night and to be powered by a battery in the event that the ordinary supply of electrical power failed. The Act also called for regulations prescribing the times and hours during which an operator shall be in attendance at the wireless ready to receive and send messages.

### **SEAMAN'S COMPENSATION ACT OF 1911**

The original 1904 Act contained a provision for compensation of insurance for injured seaman. In the 1906 Report on the original Act, the Commissioners recommended that the workman's compensation system be extended to seamen. In addition, the commissioners pointed out that numerous nations, including Austria, France, Italy, Denmark, Switzerland and Belgium had statutory schemes of insurance to cover accidents to workers. The Commissioners were also in favor of compulsory insurance for seamen to cover deaths and injuries.<sup>27</sup>

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<sup>26</sup> JOHN BACH- A MARITIME HISTORY OF AUSTRALIA p.313

<sup>27</sup> REPORT OF ROYAL COMMISSION ON THE NAVIGATION BILL OF THE AUSTRALIA COMMONWEALTH 1904 (1906) pp 23-24

This section was not included in the Navigation Act of 1912 but was in a separate act, The Seaman's Compensation Act of 1911. Under this Act, a seaman who was injured is entitled to compensation unless the injury was attributable to his serious and willful misconduct.<sup>28</sup> An employer was not liable under the Act for any injury which did not disable the seaman for a period of at least one week. If the injury was caused by a third party, the seaman could take action against the third party and also collect compensation but he would not be entitled to both damages and compensation.<sup>29</sup> If he had received compensation, the person who paid the compensation was entitled to indemnity from the person causing the injury. There were schedules in the Act. For instance, if a seaman died and left dependents wholly dependent upon his earnings, they were entitled to a sum equal to his earnings during the three years prior to the death or 200 pounds, whichever is larger. There is an upper limit of 500 pounds for a death. For total or partial incapacity for work, a seaman would be paid not less than 50% of his average weekly earnings during the previous year. The employer was entitled to require a medical examination by a duly qualified practitioner, and if the seaman refused to submit himself to such an examination, his right to compensation was suspended. Any disputes under the Act were to be settled by arbitration.

For many of you, this may not be too interesting because this system has been in effect for so long. However, it was quite revolutionary at the time. Indeed, in the United States we took a different course and remain on it to this day. In the United States, a seaman can sue his employer under the Jones Act and is entitled to have a jury decide not only his lost compensation but his pain and suffering for the injury. Although one would think it made common sense to have worker's compensation system for seamen, there has never really been a push to do so in the United States. In the U.S, the vast majority of workers are covered by Workmen's Compensation Laws but due to an anomaly, seamen and railroad workers can sue and have juries hear their injury cases.

### **Lighthouse Act of 1911**

There was a section in the 1904 Act about the Commonwealth taking over lighthouses, beacons and buoys except those within the limits of ports. The 1906 Royal Committee was unanimous in favor of this. The result was the Lighthouse

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<sup>28</sup> SEAMEN'S COMPENSATION ACT OF 1911- section 5(c)

<sup>29</sup> Id. at section 10

Act of 1911. This Act authorized the Commonwealth to enter into an agreement with the Governor of any State or any person for the acquisition of any lighthouse or marine mark that was the property of that state or person. Why would the Governor of a State turnover a light house or marine mark to the Commonwealth when there may be money to be made by retaining the lighthouse or mark? Well, the Act gave the Commonwealth the right to inspect any marine mark which may affect the safety or convenience of navigation. No one could obstruct the inspector and the Commonwealth could require the owner of the lighthouse or marine mark to remove it, move it to some other position, to modify it or alter its character to cease from exhibiting the light or to refrain from lighting it for such a period as the Commonwealth may direct. If the owner of the light did not comply with the order, the Commonwealth could then take possession of the lighthouse or marine mark. Thus, the Commonwealth gained control over all the lighthouses and marine marks. This is another example of the Federal Government assuming control in maritime matter

### **THE JASON CLAUSE**

The year of 1912 was also an important one in U.S. maritime law. In May of 1912, the U.S. Supreme Court issued a landmark case on general average. Prior to the Harter Act, shipowners did not have a right to general average if the peril arose through their fault. There was also public policy that did not allow clauses exonerating the vessel owner from liability to cargo for negligence. Section 3 of the Harter Act exonerates the ship owner from liability under certain conditions for cargo damage due to the negligence in the navigation and management of the vessel. Some argued that this section of the Harter Act also removed the bar to ship owners collecting general average from cargo if the peril arose through the ship owner's fault. In the IRRAWADDY, 171 U.S. 187 (1898) our Supreme Court rejected this argument and said that nothing in general average had changed due to the Harter Act. As might be expected, the next step of the ship owners was to include a clause in bills of lading that if the general average situation arose through negligence of the ship, from the effects of which she would be exonerated by the Harter Act, her owners having exercised due diligence to make her seaworthy, general average was to be payable. The Supreme Court allowed the clause in the famous case of the JASON 225 U.S.22 (1912). The Court held while Section 3 of the Harter Act did not change the law on general average, it had in effect abolished the public policy against contractual stipulations relieving the ship from the consequence of her own negligence in navigation and management.

In charter recaps you will often see reference to the Jason Clause which is printed herein,(slide 23) and also reference to the new Jason Clause which covers liability under the Carriage of Goods by Sea Act. I am sure we are all waiting anxiously to draft new and improved Jason clauses to cover liabilities under the Rotterdam Rules.

## **NEW ZEALAND**

The maritime law in New Zealand was largely settled by 1911- 1912. However, no paper about 1911 or 1912 would be complete without two amazing stories from New Zealand. The first is about the launching of the TSS Earnslaw. (Slide 24). Everything about this ship from her construction to her operation is unique. She is named after Mount Earnslaw which is a peak at the head of Lake Wakatipu. Shipbuilders in Dunedin built the vessel and then took her apart. All the quarter inch steel hull plates were numbered for reconstruction like a jigsaw puzzle. Then the parts were then taken by rail from Dunedin to Kingstown at the south end of Lake Wakatipu. The vessel was then rebuilt and on February 24, 1912, the Earnslaw was launched and began her lengthy career. She continues in operation to this day, almost 100 years since her launching, and reportedly is the only coal fired ship in Lloyd's Register. Harrison Ford recognized the star power of the ship and the Earnslaw made a cameo appearance in the movie Indiana Jones and the Kingdom of the Crystal Skull. It is safe to say that the New Zealanders know how to make things that last.

I am breaking one of the cardinal rules of public speaking. I am sure I broke many today already, They say you should always end on a high note. I will not be doing that and the second story is a sad one. It is about the disappearance or death of Pelorus Jack in 1912. Pelorus Jack (Slide 25) was a Risso's dolphin that was famous for meeting and escorting ships between Wellington and Nelson through the Cook Strait between 1888 and 1912. He was first noticed in 1888 when he appeared in front of the schooner Brindle when the ship approached French Pass, a channel located between D'Urville Island and the South Island. The area is dangerous to ships with rocks and strong currents but no shipwrecks occurred when Jack was present. He would guide the ships by swimming alongside for twenty minutes at a time. (Slide 26). If the crew could not see Jack at first, they would often wait for him to appear. Many sailors and travelers swore by Pelorus Jack and he was mentioned in local newspapers and depicted in post cards.

Over the years his fame grew. However, his celebrity attracted not only well wishers but others who did not have his best interests in mind. In 1904, someone aboard the SS Penguin tried to shoot Pelorus Jack with a rifle. Despite the attempt on his life, Pelorus Jack continued to help ships although according to folk lore, he would no longer help the Penguin. The Penguin was shipwrecked in 1909.

Following the shooting incident, a law was proposed to protect Pelorus Jack. He became protected by order in council under Sea Fisheries Act on September 26, 1904. He remained protected by that law until his disappearance in 1912. It is thought that Pelorus Jack was the first individual sea creature to be protected by law in any country.

There are many rumors about his death. Some believe that he was harpooned by Norwegian whalers in late April 1912. There is also an account of an anonymous death bed confession by a man who said he helped his father kill a dolphin stranded after a storm. They later realized that it had been Pelorus Jack. The man was haunted by his actions for the rest of his life.

In New Zealand, his legend lives on. There was a chocolate bar named after him and he is the subject of a number of songs.

So it is on this sad note that I end. If you are having a beer or a glass of wine with lunch, raise a toast to Pelorus Jack.