

50715 3 2 1 It is settled in the law that a contract for building a ship or supplying materials for her construction is not a maritime contract and thus is not governed by substantive admiralty law, but by state law. I am often asked why this is so. Even more questions are asked, when discussion turns to vessel repair contracts which are maritime contracts within the admiralty contract jurisdiction and are therefore governed by maritime law.

Why are ship repair contracts considered maritime and ship construction contracts considered landside? We find some answers in reported cases from the U.S. Supreme Court. First, People's Ferry Co. v. Beers, a case handed down in 1857. In People's Ferry the Court described a vessel construction contract as being, "So far from the contract being purely maritime, and touching rights and duties appertaining to navigation on the ocean or elsewhere, it was a contract made on land, to be performed on land." But the true basis for the distinction between the construction and the repair of a ship, for purposes of the admiralty jurisdiction, is to be found in the fact that the structure does not become a ship, in the legal sense, until she is completed and launched.

The Court explained in Tucker v. Alexandroff, decided in 1902, "A ship is born when she is launched, and lives so long as her identity is preserved. Prior to her launching she is a mere congeries of wood and iron -- an ordinary piece of personal property -- as distinctly a land structure as a house, and subject to mechanics' liens created by state law enforceable in the state courts. In the baptism of launching she receives her name, and from the moment her keel touches the water she is transformed, and

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becomes a subject of admiralty jurisdiction."

Once she becomes a vessel, contracts for her repair are maritime, whether repairs are to be made while she is afloat, or while in dry dock, or while hauled up by ways upon land. In each case, the nature of the service is identical and the admiralty jurisdiction extends to all. This is the rule of The Robert R. Parsons, decided by the Court in 1903 and still the law today.

More next week on The Admiralty Docket. Until then, remember your rights and responsibilities may change as you approach the shore and may God Almighty grant you pleasant sailing. 50715

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