(intro Son of a Son of a Sailor):   ad22-1   30828

(voice of John Hughes Cooper):

Good morning to Captain and crew alike and welcome to the Admiralty Docket. This is John Hughes Cooper with a glimpse into your rights and responsibilities at sea and upon the navigable waters.

Today our subject is cargo damage or loss.

Goods of every description are carried in international trade. Goods shipped overseas are called cargo. Cargo may be shipped in bulk quantities, if packaging is _not_ necessary for protection. Or, cargo may be packed in shipping containers for protection, easy handling, and security.

Cargos of wheat, sugar, clay, fertilizer, scrap steel, and oil are commonly carried aboard ships in bulk. In a bulk shipment, the cargo spaces of the vessel are filled to the appropriate level with the particular bulk cargo without the benefit of any packaging. Such cargos can be efficiently loaded aboard and discharged from the ship by pumps or other mechanical means.

Some cargos require packaging to avoid damage. Color television sets, for instance, do not travel well in a bulk shipment. Some damage to the cargo can be detected as soon as the television sets smash onto the bottom of the cargo hold at high speed. Consequently, current practice is to individually package electronic equipment and to place the individual packages into a sealed shipping container for protection from damage and theft. Many cargoes are now containerized.

Products which cannot be shipped in bulk or in containers are

carried aboard vessels as break bulk cargo. Break bulk shipments often involve irregular or large pieces and varying degrees of packaging. Machinery, vehicles, and finished steel products such as steel pipe, sheets, bars, plates and beams may be shipped break bulk.

Owners of the cargo, usually shippers or consignees, contract with vessel operators called ocean common carriers for transportation of the cargo from one port to another. The contract of carriage between the cargo owners and the ocean carrier is usually set out in a receipt called a bill of lading, which is issued by the carrier when it receives the cargo.

When the carrier issues a bill of lading it is required to note on the bill of lading the quantity and apparent condition of the cargo at the time of receipt. If the carrier issues a clean bill of lading which does not mention any apparent damage, the cargo is legally presumed to be in good order and condition. On the other hand, if the carrier issues a claused bill of lading, the cargo is legally presumed to be in the condition described.

The carrier is obligated to deliver the cargo to the destination without damage or loss. Should the cargo arrive in a damaged condition or should a portion be lost, the carrier will generally be held liable for the financial loss of the cargo owners, subject to certain limitations. Cargo owners are usually entitled to the difference between the market value of the cargo in good condition at destination and the value of the cargo in its damaged condition, plus prejudgment interest from the date of

discharge.

As one cargo expert has expressed, "Every ship carries some damaged cargo. Whether claims are filed depends on many factors such as whether the goods were insured or whether the market for the goods is rising or falling. In a rising market, few claims are made, but in a falling market all cargo is damaged in some way."

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.

(second voice with Send Lawyers, Guns and Money):
The Admiralty Docket is written and narrated by John Hughes Cooper who specializes in admiralty law litigation with the law firm of Cooper & Raley. The legal principles discussed are general in nature. Laws change and even similar circumstances may call for application of different laws. If you have a question for a future edition of The Admiralty Docket please write to John Hughes Cooper at P. O. Box 1248, Charleston 29402.