

PART III.

SECURITY FOR ADVANCES ON SHIPS IN COURSE OF CONSTRUCTION.

Ship about to be built or being built, may be recorded by registrar of shipping.

31. A ship about to be built or being built may be recorded under a temporary name by the registrar of shipping at or nearest to the port at which she is about to be built or is being built; and any builder desirous of raising money by a mortgage on any ship about to be built or being built, shall furnish to the registrar of shipping at the port at or nearest to which she is about to be built or is being built, a full description of such ship, and a statement of the port at which she is intended to be registered, according to the form A in the third schedule to this Act, and shall indicate the ship to be built or being built by painting on a board near the place of such building in his ship yard, on a dark ground, in white or yellow figures and letters of a length not less than four inches, the number given to him by the proper registrar of shipping for that purpose, the temporary name of the ship, and the name of the port at which she is intended to be registered. 36 V., c. 128, s. 36.

Ship so recorded may be made security for a loan.

32. A ship about to be built or being built, and so recorded as aforesaid, may be made security for a loan or other valuable consideration; and the instrument creating such security, hereinafter termed a "mortgage," shall be in the form B in the third schedule hereto, or as near thereto as circumstances permit; and on the production of such instrument, the registrar of shipping at the port at which the ship is recorded shall enter the same in a record book to be kept by him for that purpose. 36 V., c. 128, s. 37.

Mortgages to be recorded in the order of their production to the registrar.

33. Every such mortgage shall be recorded by the proper registrar of shipping in the order of time in which the same is produced to him for that purpose; and such registrar of shipping shall, by memorandum under his hand, notify on the instrument of mortgage that the same has been recorded by him, stating the date and hour of such record. 36 V., c. 128, s. 38.

Proceedings when such mortgage is discharged.

34. Whenever any recorded mortgage has been discharged the proper registrar of shipping shall, upon the production of the mortgage deed, with a receipt for the mortgage money indorsed thereon, duly signed and attested, make an entry in the record book to the effect that such mortgage has been discharged; and upon such entry being made, the estate, if any, which passed to the mortgagee shall vest in the said person or persons in whom the same would, having regard to intervening acts and circumstances, if any, have vested if no such mortgage had ever been made. 36 V., c. 128, s. 39.

Priority of mortgages.

35. If two or more mortgages are recorded in respect of the same ship, the mortgagees shall, notwithstanding any express, implied or constructive notice, be entitled in priority one over