

ammonium nitrate (FGAN) at Texas City, Texas. A fire began on board the ship, apparently as a result of a longshoreman's having carelessly discarded a cigarette or match into one of the ship's holds. Despite attempts to put out the fire, it spread quickly. Approximately an hour after the fire was discovered, the *Grandchamp* exploded with tremendous force. Fire and burning debris spread throughout the waterfront, touching off further fires and explosions in other ships, refineries, gasoline storage tanks, and chemical plants. When the conflagration was over, 500 persons had been killed and more than 3,000 had been injured. The United States paid out considerable sums to victims of the disaster. The United States then sought to recoup these payments as damages in a negligence case against the Republic of France and the French Line. The evidence revealed that even though ammonium nitrate (which constituted approximately 95 percent of the FGAN) was known throughout the transportation industry as an oxidizing agent and a fire hazard, no one in charge on the *Grandchamp* had made any attempt to prohibit smoking in the ship's holds. The defendants argued that they should not be held liable because FGAN was not known to be capable of *exploding* (as opposed to simply being a fire hazard) under circumstances such as those giving rise to the disaster. Did the defendants succeed with this argument?