

pendent of all the objections to the allowance of interest as an element of damages or compensation, which arise out of the particulars of the claims, and the impossibility of ascertaining or defining them before this tribunal.

14. The substantial claims (setting aside that of the United States for the alleged expenses of pursuit and capture) are those of the owners of ships and other property destroyed, and those of the insurance companies with whom the property lost was insured. The amount of both these classes of claims is stated in dollars of the currency of the United States at the respective times when the losses were sustained and the insurances paid. The value of the dollar currency was, during that whole period, enormously depreciated by reason of the war and of the suspension of specie payments in the United States. Its exchangeable value, as compared with the exchangeable value of the dollar in gold, during the period of specie payments before the war and also at the present time, was as 5,614 to 7,744, or, in round numbers as 8 to 11.\*

All values of property computed in dollars of the forced paper currency, during that period, stood at proportionally higher figures than they would have done during the time of specie payments. The payment of all these claims,† so stated at their values in a forced paper currency, is now sought to be recovered against Great Britain at the nominal value of the same number of dollars converted into gold at the present rate of exchange; thus giving to every claimant a *direct gain of above 27 per cent.*, by the difference only between the value of the dollar in which the losses were estimated, and the value of the dollar in which the payment is asked to be made. This gain is alone equivalent to the actual addition of interest, at the rate of 6 per cent. per annum, for four years and a half upon every claim.

15. With respect to the insurance companies, it must be remembered that, as against the losses which they paid, they received the benefit of the enormous war premiums which ruled at that time; and that these were the risks against which they indemnified themselves (and, it cannot be doubted, so as to make their business profitable upon the whole) by those extraordinary premiums. Would it be equitable now to reimburse them, not only the amount of all these losses, *but interest* thereon, without taking into account any part of the profits which they so received?

16. These remarks would hold good if an exact valuation of the claims were possible; but, before this Tribunal, neither an exact valuation of any part of these claims, nor any approximation to such a valuation, is possible. This consideration alone ought to be decisive against the demand of interest, as an element of damages, in any gross sum to be awarded by the Tribunal.

When this is held to be admissible in private jurisprudence, the estimate or computation of the amount to be added for interest is always founded upon some appropriate evidence, by which the Jury or the Court is enabled to fix a definite sum as the value of the principal subject for which compensation is due. Before interest can be computed, whether as a legal incident of a liquidated debt, or as an element in damages previously unliquidated, the principal sum must be known; and this, not by conjecture, not by accepting, without proof in detail, the amount at which the interested party may choose to state his own claim (almost always excessive and exorbitant, and, as a general rule, purposely so overstated, in order to leave a very wide margin for a profit after all probable deductions), nor by any merely arbitrary modification of that amount, but by such vouchers and proofs as, after the opposite party has had the opportunity of seeing and checking them, are deemed satisfactory. Where such vouchers and proofs are absent, or cannot be satisfactorily tested, all foundation for an allowance of interest, as an element of damages, necessarily fails.

17. In the present case, not only is it altogether impossible to ascertain, either accurately or proximately, any sum which can be taken by the Tribunal as representing the principal amount of the losses, for which Great Britain ought to be held responsible; but the figures, which have been laid before the Tribunal on both sides, show in a very significant manner what great injustice might be inadvertently done, and how largely any just measure of compensation or indemnity might be exceeded, if the Tribunal were either to assume some amount, arbitrarily fixed, as representing the principal of those losses, and then to add interest on that amount; or were, without any such attempt at exactness, to swell, by some undefined and arbitrary addition under the notion of providing for interest, an award for a gross sum, founded on no distinct elements admitting of any computation. It does not require much attention to the particulars of the claims to see that they have been intentionally so stated, as to leave not only a wide margin for all those deductions, which the criticism of Great Britain might prove to be necessary, but ample room, after every such deduction has been made, for a large and full compensation and indemnity,

\* British Summary, p. 68.

† The exceptions are few, and of no importance to the argument.