

The said compensation shall consist only of the material loss and damage borne by the plaintiff: it shall not include any trade or profit of which he has been deprived.

Art. 37.—The original owner of a cargo seized in neutral waters or in territorial waters which have been declared neutral by special convention may receive and obtain the said cargo or the compensation to which he is entitled on the grounds stated in Article 35, on the demand of the neutral Power, or of another Power which is a party to the said convention, provided that the demand is put forward within one year from the date of the seizure of the cargo. If the demand is not put forward within the time fixed the captor shall receive no prize money whatever, and the cargo shall be confiscated for the benefit of the Treasury.

Art. 38.—The compensation payable, in virtue of Articles 35 and 36, for loss occasioned by the destruction, capture, or spoiling of a cargo, shall be paid by the Treasury. The Treasury shall have a right of recourse against the responsible parties for the amount of this compensation.

Art. 39.—Goods confiscated as naval prize belong to the State. First of all, the value of the said goods shall be estimated, and such of them as the Ministry of Marine does not think it necessary to keep shall be sold by auction. In any case, whether the goods are sold or not, the captors shall receive their prize money. The method of the auction and the sale shall be settled by the Government.

Art. 40.—To come to the recovery of vessels and cargoes belonging to the Imperial Government or to foreign States, and to the bringing in and handing over of such vessels and cargoes:

In such cases the following special rules shall be observed in addition to the general rules applicable to the capture, bringing in, and handing over of enemy vessels and other doubtful vessels:

1. A ship or cargo recovered from the enemy shall be restored to the original owner by decision of the prize court, even if it has been confiscated by the enemy as naval prize; but the owner of the ship or cargo must pay to the person who recovered it his prize money and the expenses incurred in the recovery. If the cargo in the recovered ships belongs to the enemy it shall be considered to have been made prize, and confiscated in accordance with the general rules;

2. If vessels and cargoes belonging to the State are recovered from the enemy they shall revert to their original condition, without there being any need of the decision of a prize court;

3. If a cargo recovered from the enemy belongs to a foreign subject, it shall not be regarded as prize taken from the enemy, and if it is proved that the cargo ought to be released it shall be restored to its owner without his being compelled to pay any prize money in connection with the recovery, or any of the expenses of the recovery.

PART IV.

Naval Prize Money.

Art. 41.—Prize money for captures is limited to that part of the fleet which captures

or recovers a vessel or cargo which takes part in the naval operations at the time of the capture or recovery, or which is present at the time of the said operations and contributes to the success of the fleet.

Art. 42.—If the confiscation of vessels or cargoes captured by vessels of the Ottoman fleet is decided upon, the prize money due to the captors, after the deduction of the necessary expenses, shall be fixed as follows:—

The captors shall receive:

(1) One-half of the value of vessels belonging to the enemy's fleet, and of their accessories and cargoes, if they are recaptured in battle, and one-third if they are captured without a battle;

(2) Two-thirds of the value of merchant vessels and their cargoes taken in battle, and half the value of merchant vessels and cargoes captured without a battle;

(3) Two-thirds of the value of enemy's cargo on board of vessels recovered from the enemy which belong to the Imperial Government or to some foreign Power.

Art. 43.—If merchant vessels capture enemy vessels and cargoes, two-thirds of the value of these captures shall go to those vessels.

Art. 44.—If, after the destruction of cargoes captured from the enemy has been ordered by a commanding naval officer, it is proved that they cannot be confiscated according to the principles laid down, or the prize court decides that they ought to be released, and subsequently this decision is quashed and judgment of confiscation is given or the cargoes are restored to the rightful parties in accordance with the terms of an armistice or peace, the prize money due to the captors shall be fixed by the Naval Council according to the circumstances of the action, on condition that it does not exceed the proportion specified in the two preceding articles, and the Council's decision shall be submitted for the Imperial sanction.

Art. 45.—If Ottoman or foreign vessels and cargoes which have been captured by the enemy are recovered, the prize money shall be equal to one-eighth of the value of the vessel and goods recovered; but if the recapture has been carried out in very difficult or dangerous circumstances, the amount of the prize money must be equal to one-quarter of the said value.

Art. 46.—The value of captured or recovered vessels and cargoes shall be the proceeds of the sale, if they have been sold; if they have not been sold, it shall be the amount estimated by experts. From the proceeds of the sale or the estimated value shall be deducted (1) the customs dues, (2) the expenses of bringing in the ships and unloading the cargo; also, if the value has been estimated, the expert's fee and the expenses of upkeep, or, if the ship and cargo have been sold, the expenses of the sale. Ten per cent. of the sum thus fixed shall be retained and paid into the funds of the Ottoman Navy National Aid Society. When the preceding article is applied on the restoration to its owner of a cargo captured from the enemy or its value, the expenses referred to in the second paragraph of that article shall be paid by the owner.

Art. 47.—The prize money payable with respect to vessels and goods captured by vessels belonging to the Imperial Navy shall