

**EXCHANGE OF NOTES (MAY 3 AND 9, 1949) BETWEEN CANADA AND
THE NETHERLANDS CONSTITUTING AN AGREEMENT FOR
THE SETTLEMENT OF THE REMAINING CLAIMS OF THE
GOVERNMENT OF CANADA AGAINST THE GOVERNMENT OF
THE NETHERLANDS ARISING OUT OF WORLD WAR II**

I

*The Secretary of State for External Affairs
to the Chargé d'Affaires, a.i. of the Netherlands*

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, May 3, 1949.

No. 41

Sir:

1. In pursuance of the discussions between representatives of our two governments concerning settlement for the remaining claims of the Government of Canada against the Government of the Royal Kingdom of the Netherlands, arising out of the war, I have the honour to propose full settlement of these claims in the manner and terms set forth in the following paragraphs.

2. The Government of Canada agrees to accept an amount of \$8,105,203.89 partially in guilders and partially in deferred dollar payments, as further specified in paragraph 6 below, in full settlement of the claims described in paragraphs 3 and 4, and in connection with this settlement agrees to take the action described in paragraph 5.

3. The settlement described in paragraph 2 shall cover the claim of the Government of Canada to payment of \$13,839,170.60 for reimbursement in respect of Canada's share of the value of supplies distributed to the civilian population of the Netherlands by the combined military authorities under the Supreme Allied Command. In arriving at this settlement the Government of Canada has taken note of the exceptional hardships suffered by the Netherlands' population in the last months of prolonged enemy occupation and the particularly valuable services rendered by these civilians in support of military operations at this time, as well as the serious long-term effects of the war upon the Netherlands economy.

4. The settlement described in paragraph 2 shall also cover the claim of the Government of Canada to the release for expenditure for general purposes of the agreed amount of 6,290,892.27 guilders, as of October 16, 1948 (equivalent to \$2,371,237.19 Canadian at current rates of exchange), acquired after the monetary reforms of September, 1945, in The Netherlands, and held by Canadian Army authorities in bank accounts from which payments have, by arrangement, been permitted only for the purpose of meeting the very limited requirements of the Canadian Army in the Netherlands.

5. In consideration of the settlement of the claims described above and in view of the fact that in September, 1945, the Government of the Royal Kingdom of the Netherlands found it necessary to carry through a general measure of