

II. The Government of the Netherlands:

- (a) agreed to cancel all claims against the Government of Canada in respect of goods and services to the Canadian Army and as would be required by the Canadian Army until August 1st, 1946, and undertook to pay, settle, satisfy and save harmless the Government of Canada and the members of its Armed Forces from all claims in respect of damage caused by or through members of Canadian Army serving, or who have served in the Netherlands, but excluding claims arising out of acts of moral turpitude by such members;
- (b) undertook not to sell or otherwise dispose of, either directly or indirectly, any stores or equipment transferred to it by the Government of Canada to any country or to any persons in any country on the Continents of North or South America or the islands adjacent thereto;
- (c) undertook to pay the sum of \$4,000,000 to the Government of Canada.

III. To the extent to which the purchases of military equipment in Canada by the representative of the Netherlands Ordnance through the agency of the Canadian Government were in excess of the sum of \$8,400,000 referred to in paragraph I, sub-paragraph (c) above, such excess purchases were not included in this settlement.

If the foregoing is acceptable to the Government of the Netherlands as an accurate statement of the agreement reached, this note and your reply thereto will be regarded as placing this agreement on record."

In reply I have the honour to inform you that the Netherlands Government has given formal approval to your above Note and will regard it and this reply as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

LOVINK

