

EXCHANGE OF LETTERS (APRIL 10, 1952) BETWEEN CANADA AND THE NETHERLANDS CONSTITUTING AN AGREEMENT TO SAFEGUARD THE RIGHTS OF BONA FIDE HOLDERS OF BONDS OF CANADA THAT WERE LOOTED FROM THEIR NETHERLANDS OWNERS DURING WORLD WAR II.

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*Canadian Minister of Finance
to the Ambassador of the Netherlands to Canada*

MINISTER OF FINANCE
CANADA

OTTAWA, April 10, 1952.

EXCELLENCY:

Careful consideration has been given to the proposals made by representatives of the Government of The Netherlands with respect to safeguarding the rights of bona fide holders of bonds of Canada that were looted from their Netherlands owners during the recent war. Appended as a schedule to this letter is a list of the bonds in question as furnished by your Government.

The Government of Canada is prepared to agree to arrangements in the following terms:

1. The Government of Canada will arrange with the Bank of Canada to issue a duplicate of each of the bearer bonds specified in the schedule hereto for the benefit of the true owner of the original bond. In the case of those bonds that, at the date of this agreement, have matured or been called for redemption, the principal amount payable on redemption will be paid into the account mentioned in paragraph 4 hereunder for the benefit of the true owner. By true owner, I mean the person who, at law, is entitled to present the original bond at maturity for redemption and to receive payment therefor.

2. Since it is not possible for the Bank of Canada to determine whether or not the coupons belonging to a bond specified in the schedule have been presented and paid, or to identify such a coupon in time to prevent payment to an unauthorized holder, the duplicates of the bonds will be issued without coupons and interest will be paid only on presentation of coupons belonging to the original bond.

3. Each duplicate bond so issued will be delivered to the Government of The Netherlands in trust for the true owner of the corresponding original bond and the Government of The Netherlands will thereupon deliver each duplicate bond into the custody of the Bank of Canada pending redemption or delivery thereof of the true owner.

4. The proceeds of the redemption of any duplicate bond that is redeemed while in the custody of the Bank of Canada will be paid into a special account in the Bank of Canada to the credit of the Government of The Netherlands which will regard the money in the account as belonging to the true owner of the corresponding original bond.

5. The Government of The Netherlands agrees that the Bank of Canada may, before releasing from its custody any duplicate bond lodged with it or before making any payment out of the account mentioned in paragraph 4 above, require evidence that the Minister of Finance of Canada consents to the release or payment and that the bond is to be delivered or the payment made to the true owner of the corresponding original bond or the proceeds of redemption that are to be paid.