

to the monies and securities held under the conditions set out in the third paragraph of this letter that I feel gravely concerned.

I understood from the Controller of the Trading with the Enemy Branch of the British Treasury and Board of Trade that he is in close touch at Washington with the United States Custodian and the United States Treasury and that when the organization of the Custodian's Office at Washington has been completed, this is one of the problems which he thinks should be discussed at a conference between representatives of the Netherlands Government and the Governments of the United Nations or of those allied powers such as the United States, the United Kingdom and Canada, where the amounts of Netherlands property are considerable.

I may also add that this official pointed out that his experience had been that the Netherlands Government presently established in London has really no facilities for detailed investigation of many of the Netherlands holding companies and banking firms. As we are only too painfully aware, many naturalized Netherlands subjects of German birth or German origin were discovered in May 1940 to be leaders in the Fifth Column movement in Holland. A study of many of the individual cases cannot fairly be made until the enemy has been driven from Dutch territory.

My conclusion is that, while we should continue to give most favourable consideration to specific cases brought to our attention by the Netherlands Minister, we should, on the wider issue, reserve our position at least until such time as the situation has been thoroughly canvassed with the United Kingdom, the other Dominions and the United States.

Yours sincerely,

NORMAN McLARTY

1512.

DEA/614-A-40

*Le sous-secrétaire d'État aux Affaires extérieures  
au sous-secrétaire d'État*

*Under-Secretary of State for External Affairs  
to Under-Secretary of State*

Ottawa, June 3, 1942

Dear Mr. Coleman,

You are no doubt acquainted with the letter of April 8th sent by the Prime Minister to the Secretary of State in connection with the disposition of Netherlands assets in this country, and with the Honorable Mr. McLarty's reply of May 8th in which a very thorough and careful review was made of the whole situation. The Prime Minister has now asked me to communicate with you in an effort to arrive at some arrangement which might provide a solution to the problem, at least on a temporary basis.