

(Translation)

OTTAWA, 23rd August, 1945.

No. 160

Sir,

The Canadian Department of Finance, on the one hand, and the Commercial Counsellor of the French Embassy acting on instructions from the French Department of Finance, on the other hand, have agreed on a definition of methods to effect payments between Canada and the franc area.

The conversations thus conducted have resulted in a draft memorandum which has received the approval of the French Government and which I have the honour to transmit to you herewith.\*

The attached memorandum, in its present form, takes into consideration the comments made by the Canadian Minister of Finance in his letter of June 22, 1945, to the Commercial Counsellor of the French Embassy.

I further confirm to you that the French Government is in entire agreement with the interpretation given to this memorandum by the Canadian Minister of Finance in his letter referred to above.

The French Government understands, in particular, that the Canadian Government at present is not disposed to authorise the utilization, for payments in Canada, of "capitaux" owned in Canada by residents of the franc area. However, it is understood that each individual case, may, in this regard, by mutual agreement, be considered in the light of circumstances, and, further, that all the sums at present held by the Custodian of Enemy Property may be utilized by the French Government for payments in Canada without it being necessary to determine whether these sums arise out of income or capital.

I should be obliged if you would be so good as to confirm the definitive agreement of the Canadian Government on these different points, as well as on the attached memorandum.

Accept, Sir, the assurances of my highest consideration.

J. DE HAUTECLOCQUE.

## II

*The Secretary of State for External Affairs to the  
French Ambassador*

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, September 11, 1945.

No. 62

Excellency,

I have the honour to refer to your note No. 160 of August 23 regarding the transfer of funds between Canada and the franc area.

I am pleased to inform you that the arrangements detailed in your note and in the attached memorandum accord with my understanding of the discussions at the meeting to which you refer, and that the Government of Canada is in entire agreement with the arrangements as described.

Accept, Excellency, the renewed assurances of my highest consideration.

N. A. ROBERTSON,

*For the Secretary of State  
for External Affairs.*

\*For this memorandum see Annex I below.