

demonetization of its currency then outstanding as an essential part of a program of monetary and fiscal reform, and also in view of the circumstances under which before this reform guilders were accumulated by Canadian Army authorities beyond the amounts advanced and later repaid in accordance with pre-arranged plans, the Government of Canada will relinquish its claim in respect of an amount of 40,707,251.74 guilders held by the Canadian Army authorities in the form of guilder notes and bank accounts at the time of the demonetization of such guilder notes and the stoppage of payment of such guilder bank accounts by the Netherlands Government as a result of the aforesaid.

6. The Government of Canada agrees to accept the amount of \$8,105,203.89 specified in paragraph 2 above to the extent of \$2,371,237.19 in the form of the release, as from October 16, 1948, of the amount of 6,290,892.27 guilders held in the account described in paragraph 3 above, for expenditures in the Netherlands by the Canadian Government for general governmental purposes or for expenditure in the Netherlands by Canadians for cultural or educational purposes. The Government of Canada will accept payment of the remainder of the amount of settlement agreed upon, being an amount of \$5,733,966.70, in the form of 10 equal, annual payments of \$573,396.67. The first of these instalments will be payable on December 31, 1952, and the remaining instalments on December 31 in each of the 9 succeeding years. Such payments are to be made in Canadian dollars obtained from sources from which Canadian dollars may be obtained for the purpose of payments under the financial agreement dated February 5, 1946, and supplementary agreements dated January 29, 1947, and May 20, 1947, between the Government of Canada and the Government of the Royal Kingdom of the Netherlands.

7. If the Government of the Royal Kingdom of the Netherlands accepts these proposals, it is suggested that this Note and your reply should be regarded as constituting an agreement between the two governments.

I have the honour to be,

Sir,

Your obedient servant,

A. D. P. HEENEY

II

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

NETHERLANDS EMBASSY

OTTAWA, May 9, 1949.

No. 1735

SIR,

I have the honour to acknowledge receipt of your Note No. 41, dated May 3rd, 1949, proposing a settlement of the remaining claims of the Government of Canada against the Government of the Kingdom of the Netherlands, and I am pleased to inform you that the Netherlands Government fully agrees to the manner and to the terms of settlement set forth therein.