

securities to a Netherlands custodian or any general transfer to Netherlands companies, partnerships or individuals, particularly since the Netherlands Government is not in a position to establish an administration which could undertake the custody of Netherlands assets. There would be difficulty in any policy which might lead to the immediate and direct operation of the Netherlands decree. On the other hand, the Netherlands Government would greatly appreciate any action by the Canadian administration which would give some element of recognition to the Netherlands interest in Netherlands property.

It seems to me that it might be possible without prejudicing any of the points dealt with in the Secretary of State's letter, to go so far as to appoint an adviser who would be nominated by the Netherlands Government and paid by the office of the Custodian. Such an adviser or counsellor could, without impropriety, act as an adviser to the Custodian on all questions which concerned Netherlands property. I have no doubt that the Netherlands Government would appoint either a treasury official or a trusted financial expert. I am sure that he would be helpful both in maintaining liaison with the Netherlands authorities and in giving useful advice upon the custody and disposition of Netherlands assets.

In his letter the Secretary of State points out the difficulties which would result from the reluctance of banks and trust companies in Canada to recognize the Netherlands decree. I do not think that this would be an insuperable obstacle to concessions along the lines suggested above. It would not affect the second point in any way. It might affect the wider application of principles which are embodied in the 10th paragraph of the letter, which is dealt with in the first point above. I should think, however, that, in any cases in which the Custodian thought that it would be proper to do so, he could, with justification, release property to the use and enjoyment of Netherlands companies, firms or individuals who are not under enemy control. It would then be left to them, acting under title of the Netherlands decree, to take action to get in the assets. It would then be a matter for the Courts of Canada to determine what recognition should be given to the title of the Netherlands interests concerned.

Yours sincerely,

N. A. ROBERTSON

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DEA/614-A-40

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

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

Ottawa, June 9, 1942

Dear Mr. Robertson,

I have received your letter of the 3rd June (File No. 614-A-40).

I have discussed it with the Secretary of State. F.W. McCombe, the Controller of the Trading with the Enemy Branch of the Treasury and Board of Trade, is at