

No. 4219

**NETHERLANDS
and
INDIA**

**Exchange of notes constituting an agreement concerning
the release of Dutch assets in India. New Delhi,
4 December 1954**

Official text: English.

Registered by the Netherlands on 18 March 1958.

**PAYS-BAS
et
INDE**

**Échange de notes constituant un accord relatif au déblocage
des avoirs néerlandais dans l'Inde. New-Delhi, 4 dé-
cembre 1954**

Texte officiel anglais.

Enregistré par les Pays-Bas le 18 mars 1958.

No. 4219. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE NETHERLANDS AND INDIA CONCERNING THE RELEASE OF DUTCH ASSETS IN INDIA. NEW DELHI, 4 DECEMBER 1954

I

MINISTRY OF COMMERCE AND INDUSTRY

D.O. No. 81 (2) — E.T.(A)/43

New Delhi, the 4th December, 1954

My dear Ambassador,

I refer to our discussions on the 30th September 1954 regarding the question of handing back the assets of Dutch nationals which are at present lying vested in the Custodian of Enemy Property, Bombay, and would like to put on record the following conclusions :

1. (i) The Government of India have reconsidered their earlier proposal that they would deal with $82\frac{1}{2}$ % of the Dutch assets held by their Indian Custodian and that the balance $17\frac{1}{2}$ % should be pursued by the Netherlands Government with the Government of Pakistan and have decided to drop the proposal. They now accept full responsibility for dealing with all Dutch funds held by their Custodian of Enemy Property;

(ii) The Government of India are prepared to release an amount of about Rs. 8,50,000 (Rupees eight lakhs fifty thousand), being part of the assets, held by the Indian Custodian. The other assets held by the Indian Custodian will not be released at present, owing to the possibility of their representing properties which are, in reality, owned by Germans;

(iii) As regards assets of Dutch nationals, which are suspected to be beneficially German owned, further consultations will take place between the Governments of the Netherlands and India.

2. As regards the procedure of releasing the Dutch assets, a divesting order will be issued in each case after necessary verification and after the Netherlands Consul-General, Bombay, has given the appropriate discharge to the Indian Custodian in respect of the money in question. The divesting order will provide for the amount in question to be credited to the Netherlands Trading Society, Bombay for transfer to De Nederlandsche Bank.

¹ Came into force on 12 April 1955, the date of receipt by the Government of India of a note from the Government of the Netherlands stating that the approval constitutionally required in the Netherlands had been obtained, in accordance with the provisions of the said notes.

3. Further, it has been represented that, besides the assets referred to in the foregoing paragraph, there are cases where Indian nationals owing money to Dutch creditors prior to the outbreak of the war, failed to disclose their debts to the Custodian in time. Unless any of those debts represent properties suspected to be owned by Germans, the Government of India will be prepared to allow them to be settled direct between the respective debtors and creditors and will also provide the necessary foreign exchange for the purpose. A list of cases which are suspected to be German-owned, will be supplied to you shortly.

4. I would also wish to place on record the assurance which you gave in the course of discussions that the Netherlands Government will not place any restrictions on the early settlement of the remaining claims of Indian nationals against their Dutch debtors and also on the release of the necessary foreign exchange for the purpose.

5. I should be grateful to have your confirmation that this letter correctly sets out the understanding reached between you and myself.

6. The present Agreement shall enter into force on the date of receipt by the Government of India of a note in which it is stated on behalf of the Netherlands Government that the approval constitutionally required in the Netherlands has been obtained.

Yours sincerely,

(Signed) H. V. R. IENGAR

His Excellency Baron Floris van Pallandt
The Netherlands Ambassador
New Delhi

II

NETHERLANDS EMBASSY

No. 5236

New Delhi, December 4th, 1954

My dear Mr. Iengar,

I acknowledge herewith the receipt of your letter of today, D. O. No. 81 (2) — E. T. (A)/43 reading as follows :

[See note I]

I have the honour to confirm the agreement of the Netherlands Government with the contents of the above.

Yours sincerely,

(Signed) F. C. A. VAN PALLANDT

Mr. H. V. R. Iengar
Secretary Ministry of Commerce and Industry
Government of India
New Delhi