

APPENDIX III

JOINT STATEMENT BY THE UNITED KINGDOM AND THE UNITED STATES REGARDING SETTLEMENT FOR LEND-LEASE, RECIPROCAL AID, SURPLUS WAR PROPERTY AND CLAIMS

MADE ON DECEMBER 6, 1945

1. The Governments of the United States and the United Kingdom have reached an understanding for the settlement of Lend-Lease and Reciprocal Aid, for the acquisition of United States Army and Navy surplus property and the United States interest in installations located in the United Kingdom, and for the final settlement of the financial claims of each Government against the other arising out of the conduct of the war. Specific agreements necessary to implement these understandings, setting forth the terms in detail, and consistent herewith, are in the course of preparation and will shortly be completed.

2. This settlement for Lend-Lease and Reciprocal Aid will be completed and final. In arriving at this settlement both Governments have taken full cognizance of the benefits already received by them in the defeat of their common enemies. They have also taken full cognizance of the general obligations assumed by them in Article VII of the Mutual Aid Agreement of February 23, 1942, and the understandings agreed upon this day with regard to commercial policy. Pursuant to this settlement, both Governments will continue to discuss arrangements for agreed action for the attainment of the economic objectives referred to in Article VII of the Mutual Aid Agreement. The Governments expect in these discussions to reach specific conclusions at an early date with respect to urgent problems such as those in the field of telecommunications and civil aviation. In the light of all the foregoing, both Governments agree that no further benefits will be sought as consideration for Lend-Lease and Reciprocal Aid.

3. The net sum due from the United Kingdom to the United States for the settlement of Lend-Lease and Reciprocal Aid, for the acquisition of surplus property and the United States interest in installations located in the United Kingdom, and for the settlement of claims shall be \$650,000,000, subject to the accounting adjustment referred to below. This amount consists of:

(a) A net sum of \$118,000,000 representing the difference between the amount of the services and supplies furnished or to be furnished by each Government to the other Government after V-J Day through Lend-Lease and reciprocal aid channels, less the net sum due to the United Kingdom under the claims settlement; and

(b) A net sum of \$532,000,000 for all other Lend-Lease and Reciprocal Aid items, and for surplus property and the United States interest in installations located in the United Kingdom and owned by the United States Government.

The actual amounts due to the respective Governments for items included in (a) above other than claims will, however, be ascertained by accounting in due course, and the total sum of \$650,000,000 will be adjusted for any difference between the sum of \$118,000,000 mentioned above, and the actual sum found to be due. All new transactions between the two Governments after December 31, 1945, will be settled by cash payment.