

belonging from first to last to the United States Army, and made available to Canadian units fighting as integral units of the United States Army. When the fighting ends, the unused equipment and supplies will remain in the possession of the United States Army.

Whether it will be necessary to adopt this position depends on the total amounts involved on both sides. It would be desirable to obtain a good estimate of possible U. S. dollar costs of the Army and Air Force in connection with the Pacific war. We should then have to consider these amounts in the light of our prospective sales of war supplies to the United States and of our total prospective balance of payments with the United States on current account.

I think it is important that the Lend-Lease question discussed in the earlier part of this letter should be raised with the U.S. Government as soon as possible. We shall probably not have sufficient information on the Pacific war question to raise it definitively at the same time, but it would, I think, be advisable to mention it informally so that we should not later be thought to have held something back.

Yours sincerely,

G. F. TOWERS

1052.

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*Mémorandum du ministère des Finances*

*Memorandum by Department of Finance*

[Ottawa,] June 29, 1945

RE: MEETING ON JUNE 29, 1945, RE: LEND-LEASE SETTLEMENTS

A brief meeting was held in Mr. Ilsley's office on June 29th to discuss the proposed course of action in approaching the United States regarding the amounts and means of settlement for Lend-Lease supplies acquired by the Canadian forces overseas from the U.K. Those present included Mr. Ilsley, Dr. Mackintosh, Mr. Towers, Mr. Ross,<sup>156</sup> A/C Murray,<sup>157</sup> W/C Ryrie,<sup>158</sup> Mr. McIntyre,<sup>159</sup> Mr. Allen (Financial Superintendent Air Force), Mr. Rasminsky, Mr. Coyne and myself.

The meeting was opened by a brief statement by me outlining the nature of the problem and the background of earlier negotiations with the U.K. and attempts to estimate the amounts involved. Mr. Towers then spoke at some length, arguing for a solution along the lines proposed in the draft message,<sup>†</sup> which had been distributed two days prior to the meeting. Mr. Ross, A/C

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A. D. Ross, Deputy Minister of National Defence (Army).

<sup>157</sup>Commodore de l'air J. M. Murray, directeur des comptes et des finances, CARC.

A/C J. M. Murray, Director of Accounts and Finance, RCAF.

<sup>158</sup>Lieutenant colonel G. Ryrie, Directorat des comptes et des finances, CARC.

Wing Commander G. Ryrie, Directorate of Accounts and Finance, RCAF.

<sup>159</sup>B. G. McIntyre, contrôleur du Trésor.

B. G. McIntyre, Controller of the Treasury.