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JOINT STATEMENT REGARDING SETTLEMENT  
FOR LEND-LEASE, RECIPROCAL AID, SURPLUS WAR  
PROPERTY AND CLAIMS

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 complete 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 account 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.

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4. The total liability found to be due to the Government of the United States will be discharged on the same terms as those specified in the Financial Agreement concluded this day for the discharge of the credit provided therein.

5. In addition to the financial payments referred to above, the two Governments have agreed upon the following:

- (a) Appropriate non-discriminatory treatment will be extended to United States nationals in the use and disposition of installations in which there is a United States interest;
- (b) Appropriate settlements for the Lend-Lease interest in installations other than in the United Kingdom and the Colonial Dependencies will be made on disposal of the installations;
- (c) The United States reserves its right of recapture of any Lend-Lease articles held by United Kingdom Armed Forces, but the United States has indicated that it does not intend to exercise generally this right of recapture;
- (d) Disposals for military use to forces other than the United Kingdom Armed Forces of Lend-Lease articles held by the United Kingdom Armed Forces at V-J Day, and disposals for civilian use other than in the United Kingdom and the Colonial Dependencies of such Lend-Lease articles, will be made only with the consent of the United States Government and any net proceeds will be paid to the United States Government. The United Kingdom Government agrees that except to a very limited extent it will not release for civilian use in, or export from, the United Kingdom and the Colonial Dependencies Lend-Lease articles held by the United Kingdom Armed Forces.
- (e) The Government of the United Kingdom will use its best endeavors to prevent the export to the United States of any surplus property transferred in accordance with this understanding.

6. The Government of the United Kingdom agrees that, when requested by the Government of the United States from time to time prior to December 31, 1951, it will transfer, in cash, pounds sterling to an aggregate dollar value not in excess of \$50,000,000, at the exchange rates prevailing at the times of transfer, to be credited against the dollar payments due to the Government of the United States as principal under this settlement. The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or construct buildings in the United Kingdom and the Colonial Dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two Governments.

7. The arrangements set out in this statement are without prejudice to any settlements concerning Lend-Lease and Reciprocal Aid which may be negotiated between the Government of the United States and the Governments of Australia, New Zealand, the Union of South Africa, and India.