



Treaty Series No. 27 (1952)

Exchange of Notes

between the Government of the

United Kingdom of Great Britain and Northern Ireland

and the Government of the United States of America prolonging

with modifications the provisions of paragraph 6 of the Joint

Statement of 6th December, 1945 regarding

Settlement for Lend-Lease, Reciprocal Aid, Surplus War Property and Claims

Washington, 28th/30th April, 1952

[With text of Joint Statement as Appendix]

*Presented by the Secretary of State for Foreign Affairs to Parliament
by Command of Her Majesty
June 1952*

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**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF
THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND AND THE GOVERNMENT OF THE
UNITED STATES OF AMERICA PROLONGING WITH
MODIFICATIONS THE PROVISIONS OF PARAGRAPH 6 OF
THE JOINT STATEMENT OF 6th DECEMBER, 1945
REGARDING SETTLEMENT FOR LEND-LEASE, RECIPROCAL
AID, SURPLUS WAR PROPERTY AND CLAIMS**

Washington, 28th/30th April, 1952

No. 1

*The United States Secretary of State to Her Majesty's Ambassador at
Washington*

Excellency,

Washington, 28th April, 1952.

I have the honor to refer to conversations which have been conducted between representatives of our two Governments regarding continuation of the arrangement set forth in paragraph 6 of the Joint Statement by the United States and the United Kingdom regarding Settlement for Lend-Lease, Reciprocal Aid, Surplus War Property and Claims dated 6th December, 1945.⁽¹⁾

As a consequence of these conversations, my Government proposes that the arrangement set forth in paragraph 6 be continued until 31st December, 1958, except that a modification be made in the language of paragraph 6 relating to the method of crediting transferred sterling against the dollar payments due to the Government of the United States as principal under the settlement. My Government proposes that the text of paragraph 6 should be changed so that it will read as follows:—

“6. The Government of the United Kingdom agrees that, when requested by the Government of the United States from time to time prior to 31st December, 1958, it will transfer, in cash, pounds sterling to an aggregate dollar value not in excess of \$50,000,000 inclusive of pounds sterling heretofore transferred to the Government of the United States in accordance with the provisions hereof, at the exchange rates prevailing at the times of transfer, for credit against the principal obligation 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 between the two Governments. When principal credits result during any year from sterling drawings for educational progress, there shall be a reamortization of the remaining principal obligation over the remaining period of the loan and annual payments at the end of such year and each year thereafter shall be in accordance with such reamortization. When principal credits result during any year from sterling drawings for the acquisition of land or for the acquisition or construction of buildings, the next principal payment due under the settlement shall be reduced by the amount of such credits.”

⁽¹⁾ See Appendix.

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If the foregoing proposal is acceptable to the Government of the United Kingdom, I have the honor to suggest that this note, and your Excellency's reply to that effect, shall be regarded as constituting an agreement between our two Governments with effect as from 1st January, 1952.

Accept, &c.

For the Secretary of State,
WILLARD L. THORP.

No. 2

Her Majesty's Ambassador at Washington to the United States Secretary of State

Sir, *British Embassy, Washington, D.C., 30th April, 1952.*

I have the honour to refer to your Note dated 28th April, 1952, the contents of which are as follows:—

[As in No. 1.]

In reply, I have to state that the proposals contained in your Note are acceptable to Her Majesty's Government in the United Kingdom and to confirm that your Note and this reply shall be regarded as constituting an agreement between our two Governments, with effect as from 1st January, 1952.

I avail, &c.

OLIVER FRANKS.

APPENDIX

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 23rd February, 1942,⁽²⁾ 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 31st December, 1945, will be settled by cash payment.

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⁽³⁾ for the discharge of the credit provided therein.

⁽²⁾ "Treaty Series No. 7 (1942)," Cmd. 6391.

⁽³⁾ "Treaty Series No. 53 (1946)," Cmd. 6968.

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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 Colonial Dependencies, Lend-Lease articles held by the United Kingdom armed forces;
- (e) the Government of the United Kingdom will use its best endeavours 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 31st December, 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 programmes 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.

*Washington,
6th December, 1945.*

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