

LEND-LEASE SETTLEMENT

*Exchange of letters at New Delhi June 24 and 26, 1946, amending
agreement of May 16, 1946
Entered into force June 26, 1946*

Department of State files

*The Acting American Field Commissioner to the Financial Adviser to the
Indian Military Finance Department*

24TH JUNE, 1946

DEAR MR. MOHAMMAD ALI,

Under the Agreement (No. V) relating to Aircraft, between the United States and the United Kingdom ¹ and a further agreement in extension of the cited agreement, there have become available for recapture by the United States certain airplanes in the possession of the Royal Air Force. The Royal Air Force is required to make delivery as directed by the United States of such of these planes as can be made flyable by not more than 250 man-hours of work. The present location of these planes does not determine the area in which they may be disposed of, as directions given the R.A.F. by the United States may be to deliver to any area in which there may be a market for the planes. For example, planes which are now located in India may be flown at my direction to Burma, Europe, or elsewhere for recapture by the United States. It should also be noted that none of these planes was ever considered in any of the negotiations concerning surplus property which began in January and culminated in the Over-all Agreement in Washington May 16th ² of this year. It is possible for me to have a part of these planes declared surplus in India and added to the surpluses which were referred to in Paragraph 7 of the Agreement between the Government of the United States and the Government of India signed in Washington on 16 May. Since there is no compulsion upon me to take such action, I should like, if I do so, to ask certain concessions, which I explain below.

The American Mission is presently occupying the house of the Nawab of Bahawalpur in New Delhi but the tenure is not assured for any indefinite period. The Department of State of the United States is therefore very

¹ Agreement signed at Washington Mar. 27, 1946 (TIAS 1509, *post*, UNITED KINGDOM).

² TIAS 1532, *ante*, p. 1226.