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COMING TELEGRAM

Department of State

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Rec'd: JANUARY 28, 1963
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DEPARTMENT OF STATE

FROM: LONDON

TO: Secretary of State

NO: 2827, JANUARY 28, 7 PM

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LED OFF BY FLAMBOYANT FRONT PAGE ARTICLE BY SUNDAY TELEGRAPH YESTERDAY, SEVERAL LONDON NEWSPAPERS AND NEW YORK TIMES INTERNATIONAL EDITION HAVE CARRIED STORIES ON ALLEGED DISPUTE BETWEEN US AND UK OVER DEMAND BY US THAT UK SHARE POLARIS RESEARCH AND DEVELOPMENT COSTS.

MINISTRY OF DEFENSE INFORMED EMBASSY THAT PRIME MINISTER WILL MAKE STATEMENT ON THIS QUESTION IN DEBATE IN COMMONS OPENING JANUARY 30 BASED ON AGREEMENT REACHED BETWEEN PRESIDENT AND HIM THIS PAST WEEKEND. WE HAVE GATHERED THAT, FOLLOWING EXPLANATION GIVEN BY SECRETARY MCNAMARA TO MINISTER OF DEFENSE AND DISCUSSIONS HERE (EMBTLS 2705, 2716), REASON FOR US RPT US COSTING PROCEDURE FOR R & D SUBSEQUENT TO JANUARY 1, 1963, HAS BEEN UNDERSTOOD AND ACCEPTED BY BRITISH GOVERNMENT AND LATTER IS PREPARED TO JUSTIFY ACCEPTANCE ON THIS BASIS AND PROCEED WITH WORKING OUT OF DETAILS.

BRUCE

TRT/18

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ACTION TAKEN		DATE OF ACTION		DIRECTIONS TO RM/R	
SIGNED TO: EUR		DATE OF ACTION: III 11/63		DIRECTIONS TO RM/R: R/L	
NAME OF OFFICER: BVA Berger					
OFFICE SYMBOL					