



INTERNATIONAL SECURITY POLICY

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

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Chief, Records & Declass Div, WHS
Date: JAN 02 2013

19 JAN 1982

In reply refer to:
I-06399/82

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: US Cash Advances to UK - INFORMATION MEMORANDUM (U)

During the October discussions of the US/UK Defense Review Working Group, the UK requested payments in advance for goods and services that are regularly provided to US forces. Such payments would ease the MoD's current cash flow problem. The US team indicated that the request could be met if there were a UK regulation requiring it. That requirement, similar to US requirements for the FMS program, has therefore been stated in a UK executive instruction issued by HM Treasury. As a result, the US has agreed to make equal quarterly payments in advance for goods and services that (a) can be estimated in advance and (b) are provided regularly. The UK hopes to implement these arrangements on 1 April 1982. Although this is a relatively minor matter for us, it is important for the UK. The fact that an arrangement has been worked out testifies to the usefulness of the Working Group as a vehicle for dealing quickly with matters of interest to the two national defense ministries.

Richard N. Perle
Richard N. Perle

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
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