

5

13 December 1982

Canada : Training Charges

Thank you for your letter of 10 December,
the contents of which have been noted by the
Prime Minister.

ASC

Richard Mottram, Esq.,
Ministry of Defence.

RM

CONFIDENTIAL

Prime Minister

(2)

To note

A.P.C. 10/n.



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-~~930 7022~~ 218 2111/3

MO 14/6

10th December 1982

New John,

CANADA: TRAINING CHARGES

In my letter of 22nd November I undertook to let you know the outcome of talks an MOD Team was due to have with Canadian officials on the question of training charges.

The Team was received cordially in Ottawa and useful discussions took place. The Canadians tabled proposals aimed at reducing the number of cash transactions for training services between the two countries; in effect they want the UK to offset the bills we pay for Canadian training areas by charges incurred by the Canadians training in UK and BAOR. Provided truly reciprocal offsets can be agreed the benefit will be mutual and, as you know, the Canadian Department of National Defence is particularly keen to deal in this way because their training funds are starved of cash since a large proportion of their Defence Budget is devoted to capital investment.

The MOD team brought the proposals away for further consideration and it was agreed that discussions will resume in London in February 1983. At first sight there is every reason to believe that mutually satisfactory offset packages can be constructed.

The Canadians appeared quite satisfied with the outcome of the meetings. They are planning also to have discussions with the US and with the Federal Republic of Germany.

I am copying this letter to Roger Bone (FCO) and John Kerr (Treasury).

Yours ever,

Richard Mottram

(R C MOTTRAM)

A J Coles Esq

CONFIDENTIAL

Canada

Relations

MINISTER OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1

