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From the Private Secretary

2 April 1988

CANADIAN EUROPEAN THEATRE BASE (CETB)

Thank you for your letter of 31 March about the approach we have received from the Canadians about the possibility of establishing a Canadian European Theatre Base in the United Kingdom.

The Prime Minister has commented that Canada gives us facilities and tested Cruise missiles. The least we can do is to respond positively to her request. I think this is compatible with the line proposed in the penultimate paragraph of your letter, provided it is clear that we are ready in due course to offer an agreement in principle to what the Canadians are seeking.

C D POWELL

Ian Andrews, Esq.
Ministry of Defence



MO 14/6V

Canada allows us facilities
and tested twice minutes. The work
we can do to
respond fully to her request

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2111/3

Prime Minister

31st March 1988

This is a long-winded
way of saying that we
will think about it

Dear Pauls, Canadian report.
CAP 31/3

CANADIAN EUROPEAN THEATRE BASE (CETB)

The Defence Secretary has received a formal approach from his Canadian counterpart about the possibility of establishing a Canadian European Theatre Base (CETB) in the UK. The purpose of this facility which, with the exception of a small military presence would be largely dormant in peacetime, would be to provide facilities in support of Canadian reinforcement commitments to continental Europe in transition to war or war.

There are important Alliance considerations here. We need to do all we can to anchor the Canadian commitment to European reinforcement. The Canadians have already withdrawn, unilaterally, from their commitment to the reinforcement of Norway in favour of consolidating their forces in Southern Germany where they are not so badly needed and the resulting military gap is the subject of a NATO study. We need to handle their approach in such a way as not to pre-empt the possibility either that the NATO authorities will request the Canadians to reconsider their decision, or that Canadian forces could be redeployed within the Continent in such a way as to permit the rerolling of the United Kingdom Mobile Force (currently dedicated to the reinforcement of Denmark and Schleswig Holstein) which is itself part of a NATO military study. The Canadian proposal would also require HMG to retain airfield, storage and related accommodation which could otherwise be disposed of and may be seen too against the background of the current negotiations over the possible sale of SSNs.

Mr Beatty's approach amounts to a request to consolidate staff level work conducted without commitment in 1986. This reached the point of identifying the broad feasibility of the Canadian ideas but could not be taken further without a much clearer briefing upon their specific requirements. Mr Younger believes that it would be appropriate to respond positively to Mr Beatty, on the basis that his offer to provide the further briefing necessary to complete feasibility studies is welcome, but nonetheless to stand back from

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offering agreement in principle. This should not pose any problem for the CETB which the Canadian Defence White Paper this year placed in the context of a 15 year programme and which, as Mr Beatty's letter makes clear, would not be established before the middle or latter end of that period. There are, therefore, no difficulties in keeping the Canadians fully in play, and committed, without compromising the work of Alliance military authorities.

The Defence Secretary would be grateful to know whether the Prime Minister is content with his proposed course of action. I am sending copies of this letter to the Private Secretaries to other members of OD and to Trevor Woolley in the Cabinet Office.

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 (I. C. G. ANDREWS)
 Private Secretary