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cc PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

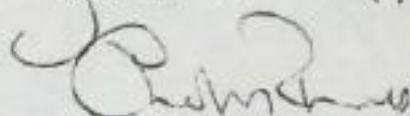
27 November 1988

Dear John,

CANADIAN EUROPEAN THEATRE BASE

Thank you for your letter of 24 November about the Defence Secretary's intention to open negotiations with the Canadians on 28 November for the establishment of a Canadian European Theatre Base in the UK. I am sure that the Prime Minister would be content with this.

I am copying this letter to the Private Secretaries to Members of OD and to Trevor Woolley (Cabinet Office).

Yours sincerely,

(C. D. POWELL)

John Colston, Esq.,
Ministry of Defence.

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MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2111/3

24 November 1988

Pine Nister
I am sure you will
Dear Charles, be content with this proposal. ✓
Agree? ✓
CB 25/11

CANADIAN EUROPEAN THEATRE BASE

Ian Andrews' letter of 31st March explained that the Defence Secretary had received a formal approach from his Canadian counterpart, Perrin Beatty, about the possibility of establishing a Canadian European Theatre Base (CETB) in the UK. This Base would provide facilities to support Canadian reinforcement of Europe in transition to war and would be largely dormant in peacetime. Only limited facilities would be required permanently in peacetime to hold prepositioned stocks of supplies and ammunition. The larger part of the requirement - to provide logistic and medical support of Canadian reinforcements committed to ACE in times of tension of war - would be met by earmarking in peacetime UK military or civil facilities which could be made available when required.

The Defence Secretary subsequently wrote in positive terms to Mr Beatty proposing further confidential discussions between officials. One doubt was the uncertainty over NATO's reaction to the redeployment of Canadian forces in Europe, particularly her Air/Sea Transportable (CAST) Brigade. Another concerned the need for more detailed discussions of the plans for the CETB, in particular the financial implications. It has now been agreed that a NATO Composite Force (NCF) (with a Canadian element) will assume the responsibilities formerly discharged by the CAST brigade in the Northern Region. The Canadians have also provided more details on their plans for the CETB. Discussions have confirmed the Canadians will accept full financial liability for the entire cost and expense of a CETB in the UK except for the potential loss of receipts which will result from retention of surplus MOD owned land and buildings which might otherwise have been sold and which will be made available rent free.

The Defence Secretary believes that we should now move ahead and offer to open formal negotiations with the Canadians to establish a CETB in the UK. This proposal could then be announced to NATO Ministerial colleagues at the Defence Planning Committee meeting in Brussels on 1st/2nd December. The Canadians support this approach, which would be well received within the Alliance as an enhancement of NATO's reinforcement capability. We are still considering with the

Charles Powell Esq
 10 Downing Street



Canadians what, if anything, should be said publicly following such an announcement. The process of identifying possible sites will follow the opening of negotiations.

I understand that the Chief Secretary has been consulted on the financial implications and is now content subject to Treasury officials being kept informed of developments.

The Defence Secretary proposes to inform the Canadians on Monday that he is ready to open negotiations. Before he does so, however, he would be grateful if the Prime Minister could be alerted to his proposal. I am copying this letter to the Private Secretaries of other OD members, and to Trevor Woolley.

Yours sincerely,

John Colston.

(J P COLSTON)
Private Secretary

CANADA Relatives

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