

There was also a brief discussion as to the possible magnitude of U.S. dollar costs in the Pacific operations. Some figures were given of anticipated R.C.A.F. requirements of U.S. type equipment which it was expected would be obtained through the R.A.F. on Lend-Lease as heretofore. Mr. Ross thought the costs for U.S. equipment for the Canadian army forces operating with the U.S. would not exceed \$100 million a year for maintenance at its maximum rate. His inference is that it would be substantially short of this figure. This maintenance cost would not reach a maximum rate of this magnitude until late in the current fiscal year, and the costs for this fiscal year would be very much less. In addition there would be U.S. dollars required for pay of these Canadian forces, particularly when they were in training in the U.S. In this general connection Mr. Towers felt that Canada might be able to stand these U.S. costs if they did not exceed a reasonable figure, he mentioned one of, say, \$150 m. or \$160 m. a year, but it would be quite a different matter if they should run at, say, \$500 m. a year.

It was left that I would make some changes in the draft message, endeavouring if possible to meet the points raised by Mr. Towers, and that we would then attempt to get agreement on it in time to have Mr. Robertson present it to Mr. Clayton on the 9th of July. Unfortunately I did not think to raise the question of clearing this with the U.K.

R. B. B[RYCE]

1053.

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*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis
Secretary of State for External Affairs
to Ambassador in United States*

TELETYPE EX-2448

Ottawa, July 3, 1945

IMPORTANT. SECRET. Following for the Ambassador from Wrong.

Annex 1 below gives the text of a letter dated today addressed to me by the Acting Deputy Minister of Finance. Annex 2 is the draft of the message to the United States Government which is referred to in this letter. These documents are self-explanatory for the most part and I need supplement them only by the following comments:—

(1) It is a matter of substantial importance that we should do our best to reach agreement with the United States along the lines proposed in the draft message. Should the United States Government press a claim for reimbursement, the amount would probably be very considerable although no estimate can now be made. Furthermore, the process of negotiating such a claim would be very troublesome and probably protracted.

(2) The United Kingdom Government is somewhat embarrassed by their inability to answer the various enquiries from United States officials over a considerable period which are referred to in the last paragraph of Dr. Mackintosh's letter.