16. It has been suggested that if a further drastic reduction is effected, the B.C.A.T.P. may be reasonably be assumed to be in a position to carry on for some time subsequent to March 31, 1945, without the necessity of any further expenditure for aircraft or equipment, relying on current depot stocks for maintenance purposes. In this case, costs of R.A.F. training would be limited to out of pocket maintenance costs such as pay, rations and other items not normally stocked in depots. On this basis, it is suggested that the cost of R.A.F. training in Canada for the fiscal year 1945-46 may be of the order of \$30,000,000. It would appear therefore, that to offset the cost of advanced training in U.K. as described by the cost of R.A.F. training in Canada would result in a financial benefit to Canada.

17. It is fully realized that there may be political considerations to be borne in mind in regard to this proposal inasmuch as the policy presently in effect contemplates that Canada will pay in full for its direct war effort. It is suggested however that this proposal should not be construed as a waiver of charges but rather as a trade of services in which case Canada yould still be deemed to have paid for advanced training in U.K.

"J.M.Murray" A/C for (K.G.Nairn) A/V/M A.M.A.F.

Minutes and Documents of the Cabinet War Committee, Volume XVI, July - December 1944, (R.G. 2, 7c, Volume 16)

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