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*Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Chine*

*Under-Secretary of State for External Affairs
to Ambassador in China*

Ottawa, April 2, 1948

Dear Tommy [Davis]:

Your personal letter to me of February 26th contained a number of suggestions occurring to you as a result of your visit to the Hong Kong-Canton area. I think it is always a good idea for our representatives abroad to try to interpret in terms of immediate Canadian interest their experiences abroad. However, I am sure you will realize that it would be difficult for us to take any official action on most of your suggestions. They can more properly be taken up in the course of informal conversations.

You suggest that Canada should take more direct interest in Southeast Asia and I quite agree with you on this point. However, as you know, we have so many pressing diplomatic and consular commitments abroad now that we are compelled to respond to the most urgent needs only for the present. It has often been the case that commercial offices precede the establishment of diplomatic or consular offices. As you know, there is already a Trade Commissioner's Office in Hong Kong, which looks after a large part of the territory of which you speak. There is another office in Singapore. Eventually, we will be taking a greater interest in the countries of Southeast Asia but for the present we must wait upon more active development of Canadian commercial interests in that area.

You suggest that there would be a good opening for a branch of the Royal Bank of Canada in Hong Kong. That is probably quite true, especially if they were to handle a considerable part of the remittances of overseas Chinese in Canada to the Hong Kong-Canton area. However, I am inclined to think that the Royal Bank itself must judge their own interest in this matter.

I understand that the Canadian Pacific Steamships are anxious to get back into the Pacific passenger trade again. They are waiting for ships and until these are available there is not much that they can do about re-opening their service on the Pacific. I am sure you are aware that there is still a very acute shortage in the world of passenger shipping. Canadian national interests are probably still best served by maintaining such passenger shipping as is available on the North Atlantic run, trying to move some of the many thousand immigrants waiting their turn in Britain and on the Continent to come to Canada.

As regards extending a Canadian international air service to the Far East, I am inclined to think that this is something that will have to be left to develop naturally. As you know, T.C.A. hopes to open its service to the West Indies shortly. They will gain a good deal of overseas experience on this route and I am sure that, in time, they will be looking into the development of other airways and no doubt will give