

These were going out nearly empty but were coming back filled mainly with families of Chinese-Canadian citizens. Mr. McConachie said that they could add a third flight a week without difficulty. If they were released by the Air Transport Board from the Australian run they could step service up to a maximum of 4 flights a week. His company was anxious to get more business and he was considering going down to Washington to offer the services of his Line to the United States Government. If he secured a contract with the United States Government he would see that it included a clause permitting it to be terminated if the Canadian Government wished to use C.P.A.L.'s services. However, before doing so he wished to offer them to the Canadian Government.

3. Mr. McConachie was informed that the responsible Ministers were out of town and that no answer could be given him immediately. In the meantime it was hoped that he could delay his visit to Washington. His offer of assistance would be brought to the Minister's attention immediately on his return and he would no doubt wish to discuss it with his colleagues when they were reviewing the Korean situation. Mr. McConachie would be given a reply as soon as possible.

4. This offer from C.P.A.L. should be viewed, I think, from two angles. First, there is the possible embarrassment that might attend a statement by Mr. McConachie to United States defence authorities that he had offered C.P.A.L.'s services to the Canadian Government and they had turned him down. On the other hand, this offer provides an opportunity by which the Canadian Government might, without serious difficulty, increase its offer of assistance to the United Nations in connection with the Korean operations. In view of Canada's geographic position astride the short northern air route to the Far East it would be natural for Canada to offer air transport assistance. C.P.A.L.'s offer might be considered in conjunction with any air transport assistance the R.C.A.F. could provide. T.C.A. [Trans-Canada Airlines] might also have some spare aircraft.

5. If it were decided to accept C.P.A.L.'s offer, the Chief of Air Staff might be requested to discuss the matter with Mr. McConachie and then an offer might be made to the United Nations and the United States Government of such air transport as it was feasible to assemble for this operation.

6. Since the above was dictated we have learned that Mr. McConachie has come to Ottawa and seen Mr. Chevrier who has written to Mr. Claxton about C.P.A.L.'s offer. I understand that Mr. McConachie also plans to see Mr. Howe.

A.D.P. H[EENEY]