

2. I came away convinced, and my opinion was confirmed by a lot of prominent business people in Hong Kong including bankers, that at least one of our leading Canadian banks should open a branch in Hong Kong so that ultimately they may spread down through that part of the globe just as they have spread in the West Indies and South America. I would think this is a suggestion which might well be discussed with Cliff Clark, [W.C.] Graham Towers, and others. For instance I would like to see the Royal Bank move right in and open a branch in Hong Kong. The Chase National Bank, the National City Bank, the Hong Kong & Shanghai Bank are making a killing; and I can see no reason why a Canadian financial institution should not be doing business in that lucrative market.

3. The Canadian Pacific Railway has had a great standing all through these years, and everywhere people look forward to the day when C.P.R. ships are running again. I wish that they would get back into the Pacific trade and get back here fast; and anything that can be done to encourage their speedy return should be done. I would think that someone in the appropriate department of government might well bring every possible pressure to bear upon the C.P.R. to get back into operation.

4. I was amazed at the air traffic which is growing and growing in this part of the world. I know that as a matter of general policy the government looks to the T.C.A. as the instrument for flying world routes beyond the borders of Canada. I also know that Canadian Pacific Airways is largely restricted to the operation of feeder lines in Canada. I further know that the T.C.A. is interested in the South Pacific, namely Australia, New Zealand and intermediate points. I would think that inasmuch as the Canadian Pacific is one of the great merchant marine forces in the North Pacific, the Government should depart from its present policy and encourage the C.P.R. to expand its air service by providing a service to Japan, China, Hong Kong, Bangkok, Singapore, India and on to Britain via India. The name of the Canadian Pacific stands so high it could move into this air competition with great advantage to itself and to Canada.

5. On several occasions I have recommended that at least one unit of the Canadian fleet should cruise in these waters making official calls at Hong Kong, Shanghai, Tsingtao and other appropriate places. These naval units have to be maintained and the costs thereon paid. The additional cost of a cruise such as this would consequently be slight and the prestige to be gained for Canada by such a visit would, I am sure, indirectly compensate many times over for the cost involved.

Yours sincerely,
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