

use for other purposes a portion of that part of the credit earmarked for surplus goods. Mr. Abbott is writing now to the Chinese Chargé d'Affaires in regard to this matter, and I am enclosing a copy of his letter.† You will see from this that we have agreed that this portion of the credit may be used to purchase any types of supplies from War Assets Corporation. We are not informing the Chinese, but we are informing War Assets Corporation, that they are not to sell for credit to the Chinese goods for which there is an alternative market in Canada. This was a part of the decision taken by the Ministers.

Yours truly,  
R.B. BRYCE

952.

DEA/4851-40

*L'ambassadeur en Chine*  
*au secrétaire d'État aux Affaires extérieures*  
*Ambassador in China*  
*to Secretary of State for External Affairs*

DESPATCH 227

Nanking, May 12, 1947

Sir,

I have the honour to advise that I reached Nanking on Monday, May 5th. On Wednesday, May 7th, I was received by the Foreign Minister, Dr. Wang Shih-chieh.

2. He was more than friendly, and I was very much impressed by him, his personality, and his ability.

3. He raised the question of Canada's status and stature in the eyes of the Chinese Government and the Chinese people, and indicated that our country and our people were held in high regard by both.

4. I cannot remember his exact words, but in effect, he said that the United States was a great power, and that likewise Britain was a great power. These two nations in their relationship to China might have some ulterior motive, or might try to wield an influence upon China's policy due to their power and size. In other words, I think he had in mind what is commonly termed the application of "imperialism". In the case of Canada, he realized that while we were a powerful nation economically, from the military standpoint we were not a great power, and that therefore they had felt freer in relation to Canada than they had to the other powers.

5. As I said above, I have not expressed this as concisely as he did, but this is the underlying thought which he expressed to me.

6. This is a great advantage we have out here, and one which should be utilized to the full.

I have etc.  
T.C. DAVIS