

It was recommended that authority be given to undertake the charter of a private aircraft on the terms indicated.

The wives and children of the Embassy in Nanking, and female employees, had already left the capital.

(External Affairs memorandum to the Acting Minister, Nov. 30, 1948).†

33. *The Cabinet*, after discussion, approved the Minister's recommendation for charter of a private aircraft, subject to approval of the Department of Finance with respect to the financial liability involved.

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1112.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET

[Ottawa], December 8, 1948

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SITUATION IN CHINA

11. *The Minister of National Defence*, as *Acting Secretary of State for External Affairs*, reported that the situation of the Nationalist Government was deteriorating rapidly.

It had been decided that the Canadian Embassy would remain in Nanking for the present at all events; all Canadian women and children had been evacuated.

The present position of Canadian credits to China had been reviewed with the Department of Finance; the course recommended by that department would be agreeable to External Affairs.

12. *The Cabinet* noted the Minister's report.

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SECTION C

CRÉDITS COMMERCIAUX POUR LA CHINE
TRADE CREDITS TO CHINA

1113.

L.S.L./Vol. 39

Le ministre des Finances au premier ministre

Minister of Finance to Prime Minister

Ottawa, December 6, 1948

My dear Prime Minister:

In view of the recent developments in China, I feel it is expedient to bring to your attention for consideration the present position in respect of the credits made available to China in 1946 by the Canadian Government.