

Mr. FLEMING: Are you going to start with Mr. Menzies tonight?

The CHAIRMAN: Well, I am entirely in the hands of the members.

Mr. MUTCH: Shall we finish tonight if we hear Mr. Menzies now?

Mr. FLEMING: It has been a long session.

The CHAIRMAN: Mr. Fleming seems to be tired. He is a hard-working young man. But I think we will proceed.

The WITNESS: I was going to suggest if it is agreeable to the members of the committee that the time of the committee might be best employed if Mr. Menzies were to make a short introductory description based upon the information available to the department from our mission in Nanking, and from other sources. He will speak on conditions now existing in China as we know them to be, for ten or fifteen minutes. Then possibly the members of the committee, if it is agreeable, might ask questions which Mr. Menzies would try to answer. I do not know if that is the kind of procedure you want, but Mr. Menzies and I had a word about it and we thought that might be the way you would like to have it.

The CHAIRMAN: I believe it is now in order for Mr. Menzies to make his statement, which will be mostly about the China situation.

**Arthur Menzies, Head of the American and Far Eastern Division
of the Department of External Affairs called:**

The WITNESS: I regard it as a privilege to be able to say a few words about the situation in China. I hope the members of the committee will bear with me, due to the shortness of the notice given and particularly because of the difficulty which we have at the present time in getting information from our officers in China. I think most of the committee members will know that in the transaction of business between our missions abroad and the home department here in Ottawa, there is a system by which official despatches are sent normally by courier, giving us confidential appreciations of the situation as it develops from week to week or you might say, from bag to bag.

Now it has been impossible for us to receive from China anything in the way of confidential reports since the fall of Nanking in April of this year. However we have been receiving a number of telegraphic reports and from time to time it has been possible to get out unclassified reports by mail and to receive reports by word of mouth from our officials as they return.

Perhaps if I might retreat for a few minutes of the date of April 1949 which was the fall of Nanking. Let us go back about a year from today's date, that is, to October 1948. The first evidence that the National Government was in military difficulty appeared in Manchuria when Mukden and other cities were beginning to fall and it was necessary for the National Government to shorten its lines. Progressively after that in January 1948 the north China cities of Peking and Tiensin which had been held as Nationalist salients fell, and the communists moved further south. From that period we were naturally concerned about the safety and welfare of Canadians in north China. Our ambassador in Nanking in consultation with the British consular authorities on the spot did what he could to assist the Canadians through warnings and through arrangements for transportation to leave the area if they cared to do so.

The movement of the war, as you all know, came to a halt at the Yangtse during the late spring. It leapt the Yangtse in late April and Shanghai fell in May. Then it progressively moved south to Canton which fell in October.

Today the National Government forces are divided up into three main pockets: one which is located in Formosa and Hainan Island to the south; another in the middle south under the Pai Chung-hsi, who has probably the largest and