In this region the defection of France and her African colonies created an unexpected and exceedingly embarrassing naval and military position. Any withdrawal of British forces from the Mediterranean was obviously impossible, first, because of British commitments to Greece and Turkey; second, because of the importance of holding the Suez canal; and, finally, because the enemy's route to the pipe line at Haifa and the supposedly inexhaustible oil supplies of the middle east lies across the eastern Mediterranean.

These circumstances explain why Italy, a few weeks ago, suddenly discovered that Greece had made provocative attacks on Albania, the territory Mussolini treacherously attacked on a Good Friday eighteen months ago. The Italian attack upon Greece and the decision of the Greeks to resist have made a further demand upon Britain. Despite the threat of one powerful army across the English channel, and another powerful army in the Egyptian desert. Britain is responding as best she can to this new demand. There has already been established on the island of Crete a naval and air base which will extend the radius of the activities of the British navy and air force in the eastern Mediterranean.

The British position in Africa and the middle east was calculated on the basis of the existence of French armies in Syria, Tunis, Algeria and Morocco, on the cooperation of the French navy, and on the joint use of French naval and air bases. The collapse of French resistance destroyed these calculations and presented the British with what appeared an almost hopeless problem. The Italian army in Libya greatly outnumbered the British forces in Egypt, and there seemed a real danger that it would march across the desert to the Nile, and even to Suez. All through the months of threatened invasion of Britain, the policy of reinforcing the British army in Egypt has gone forward. To-day the balance of forces is much less favourable to Italy than it was in August. At the same time it should not be forgotten that in the area the Italians still have numerical superiority. Their attack upon Greece may be designed in part to draw off British troops from Egypt to assist the Greeks and thus to improve the Italian position in the western desert of Egypt.

The battle of Britain, the nazi pressure on the Balkans, the apparent stalemate in Africa. the Italian attack upon Greece have not been the only events on the international scene since parliament adjourned. The axis powers have also sought by diplomacy, propaganda and intrigue to isolate Britain, and to begin a process of piecemeal destruction of her power and possessions. The pact signed by Germany, Italy and Japan at Berlin on September 27

cannot be viewed as other than an instrument to that end. It contains articles providing for recognition of the respective conquests and spheres of influence of these powers—an open avowal of their existing attitudes towards one another. Article 3, however, goes much farther. It provides that the three axis powers will:

. . . assist one another with all political, economic, and military means, if one of the high contracting parties should be attacked by a power not at present involved in the European war or in the Sino-Japanese conflict.

A subsequent article provides that this commitment does not affect the relations which exist between the three contracting parties and soviet Russia. Significantly, no mention is made of the United States. The whole agreement, and the publicity given to it, however, are obviously aimed at intimidating the United States. No matter how clear it may be that freedom and the democratic way of life everywhere are bound up with the fate of Britain, the United States are to be prevented from moving any closer to Britain's side.

The role of Japan in the new alliance is particularly significant. Germany and Italy have formally recognized Japanese leadership in creating a "new order" in east Asia. Within the sphere of this new order lie French Indo-China and the Netherlands East Indies. The mother countries of those two rich colonies are occupied to-day by German troops. French Indo-China, by the agreement of Hanoi of September 27, opened its gates to Japanese troops in circumstances that strongly suggest German pressure. We may expect further demands on French Indo-China.

The Chinese army, although split up into small and widely scattered groups, is still actively resisting. The 710 miles of highway known as the Burma road was, as is known, closed to the transport to China of gasoline, trucks and munitions. This was intended as an approach to Japan, which it was hoped might facilitate a possible termination of hostilities in the far east. The closing of the Burma road having failed to accomplish its purpose, it was reopened on October 18. The embargo on the export of gasoline and petroleum products, and on iron and steel scrap, established by the government of the United States at the beginning of August, is in force. No scrap iron or steel has been exported from Canada since October, 1939. There has not been any export, except to the United Kingdom, the allied countries and the United States, of nickel or zinc since February, of aluminium since April, and of cobalt since August last. On October 8 the same limitations were placed upon exports of copper. Shipments of