

soviets and with them a rich portion of Roumania, the provinces of Bessarabia and northern Bukovina. Sensing a shift in the wind, Roumania adopted the trappings of fascism and renounced the British guarantee. Her conversion, however, came too late. At the end of August, following a conference at Vienna, she was brusquely forced to cede half of Transylvania to Hungary and, some weeks later, southern Dobruja to Bulgaria. These renunciations of territories did not save her. Working characteristically, through disaffected elements in the population, the nazis succeeded in bringing Roumania entirely within their orbit. They secured complete control over her wheat, corn and soya bean fields and, most important of all, her oil wells and refineries. These without doubt they will exploit to the full. German garrisons are already installed in the more important towns. A German military mission is reported to be organizing the Roumanian army on the German model. In Hungary, Yugoslavia and Bulgaria, nazi policy is developing the closest possible economic collaboration. Already, however, these countries are finding that such collaboration involves political control as well.

At the other end of Europe the enemy is following a similar policy. Spain, like Italy at the beginning, has declared for non-belligerency, instead of neutrality. For the present, however, so far as Spain is concerned, the enemy seems to have been obliged to content himself with economic rather than military collaboration.

The position of France is more difficult and more tragic. I shall speak later of it and of our relations with our once powerful ally. All I wish to point out at the moment, or rather to emphasize, is that the prestige of the smashing German victory in the west has placed almost all of Europe west of the Vistula under German control. All the ports and air fields from Norway to Spain are in nazi hands. The resources, human and material, of these countries will be organized with German method and thoroughness in German interests alone. A formidable war potential has been placed in the hands of a ruthless enemy. It is all important that everyone should realize how vastly, as compared with the last war and the early days of the present conflict, this new augmentation of nazi military power increases the difficulties which we of the British commonwealth have to face.

To indicate what I have in mind I shall speak of only one or two important commodities. Steel production is the standard index of industrial capacity. The annual

production of steel in Germany was estimated at the beginning of hostilities at 22 million tons. With the countries she has conquered or controls, and making considerable allowance for war damage in France and Belgium, German capacity for steel production now amounts annually to 42 million tons. This is to be compared with a capacity of about 18 million tons in Great Britain and other parts of the British empire. Supplies of iron ore, so difficult for Germany to secure in the early days of the war by the precarious route through Narvik from the Swedish mines, have now become plentiful through easy access to the neighbouring mines of Luxemburg and Lorraine. Hitherto short of aluminium, so vital for the manufacture of aeroplanes, the German factories now have access to the French bauxite mines, among the richest in the world, while our own supply is correspondingly diminished. We must face the fact that control of these resources represents a powerful addition to the effective strength arrayed against us. We must also face the fact that Germany has now the great munition plants of Skoda and Creusot, as well as Krupp at her disposal. Let us not underestimate the enemy. It is in the light of facts such as these I have mentioned that we see the significance of aid from the United States with its capacity for steel production of 50,000,000 tons a year.

There are, of course, weaknesses in the imposing nazi facade. Pillage, however systematic and well organized, cannot go on indefinitely. Subject populations, if they are to give even passive acquiescence to the designs of the conqueror, must be left with sufficient supplies on which to exist and to work. There are a good many essential commodities such as copper, manganese, nickel and cryolite, which even the whole of Europe cannot supply in adequate quantities. Moreover, the scope of the enemy's conquests has given, as I have already indicated, a new urgency to a problem that was already vital, namely, the problem of oil. Roumanian wells, even if the Germans are permitted to exploit them undisturbed, can, it is estimated, hardly produce more than five, or at the most, six million tons a year. All the rest of Europe outside of Russia can produce but another five million tons, and Russian supplies and ability to transport them are problematical. Europe's requirements for essential industries and transportation, however, are twice the amount of her total production. With supplies cut off by the blockade, it is not difficult to understand the new interest of the enemy in Iraq and Iran, or the drive for control of the Mediterranean basin.