

exclusion was interpreted generally as a sign that the neutrality pact with Russia would, sooner or later, be repudiated. Since that moment serious consideration has been given the possibility of a northward attack on Siberia.

Until Germany's invasion of Russia, Japan's objective appeared to be the expansion, by force, of her "co-prosperity sphere" towards the south.

The first, and indeed the only actual expansion of Japanese military activity, since the adjournment, has been into French Indo-China. Late in July the Japanese government extended the penetration of that colony, which began in the autumn of 1940. This penetration was facilitated by the attitude of Vichy, under German duress. The result is a virtual Japanese military occupation of Indo-China and Japanese possession of its important naval bases. There were signs that Japan intended to continue her military advance into Thailand, and that she was restrained only by the formidable economic measures taken by the United States, Britain, Canada, the other nations of the commonwealth, and the Netherlands Indies. The promptness and firmness of the steps taken by the democratic powers were clearly a rude shock to Japan.

On July 25, Mr. Eden announced in the British House of Commons that defensive measures had been taken in Malaya. Late that evening President Roosevelt issued an order "freezing" all Japanese assets in the United States. Parallel action was taken by the United Kingdom and by this country on July 26, and the commercial treaties between Japan and Britain and Japan and Canada were denounced.

On July 28 the Netherlands East Indies cut off Japan's oil supply from those islands. Two days later Mr. Eden warned Japan to "reflect", while there was still time, on the effect of her foreign policy. At the same time Britain excluded Japanese shipping from her coaling stations throughout the empire and from the inter-empire carrying trade. On August 1 President Roosevelt ordered an embargo on the shipment of aviation gasoline and oils to points outside the western hemisphere, the British empire, and unoccupied territories of nations resisting aggression. The result of these measures has been a virtual cessation of Japanese sea-borne commerce.

Despite frequent statements that Japan must defend her economy by proceeding with the establishment of her Asiatic "co-prosperity sphere", tension in the far east relaxed in August and September. The anniversary of Japan's adherence to the axis, September 27, passed quietly. The celebrations in Tokyo were subdued in character.

Towards the middle of October tension once more began to increase rapidly in the far east. The growing tension was again reflected in a change of government in Japan, and the formation of a new cabinet headed by General Tojo. The new ministry represents the strongly anti-Russian tendencies among extreme militarists. General Tojo himself, while holding political office, remains on active service. He is minister of war, and has also under his direction the home ministry, which controls the extensive police services. It would appear that, for the present at least, political power in the cabinet has passed more firmly into the hands of extreme militarists than has been the case at any time in recent years.

It will be seen that the developments of the past four months have now brought matters to a point where a very definite conflict of interest has developed between Japan, as the axis partner of Germany and Italy on the one side, and the United States, Britain and Russia on the other. The critical character of the far eastern situation, occasioned by the aggressive designs of Japan, was clearly indicated by Mr. Churchill in his broadcast to the world on August 24. After referring to the Japanese war on China, the British Prime Minister said:

Now they stretch their grasping hand into the southern seas of China. They snatch Indo-China from the wretched Vichy French. They menace by their movements Siam. They menace Singapore, the British link with Australasia, and they menace the Philippine islands under the protection of the United States. It is certain that this has got to stop.

Every effort will be made to secure a peaceful settlement.

The United States are labouring with infinite patience to arrive at a fair and amicable settlement which will give Japan the utmost reassurance for her legitimate interests.

We earnestly hope that these negotiations will succeed. But this I must say, that if these hopes should fail we shall of course range ourselves unhesitatingly at the side of the United States.

The Japanese occupation of Indo-China has created two menacing threats: the first, a possible encirclement of southern China, through the occupation of Thailand and an attempt to cut the Burma road; the second, an attack on the Netherlands East Indies from the bases in southern Indo-China. Whether aggression, if it takes the form of open conflict, will be directed toward the north against Russia, or in a southerly direction toward Thailand and the Dutch East Indies or in both directions simultaneously, cannot at the moment be foretold. It is important, however, that both eventualities should be kept in mind.

A word now as to China. No reference to the situation in the orient would be complete