was in process of taking up position about Sceleidima, when a report was received that a large enemy armoured force was approaching Msus, where the principal dump of petrol and supplies for the armoured division was. As a result of this report there was considerable confusion. The Support Group finally continued its retirement to Regima on the left flank of the 9th Australian Division, while the 3rd Armoured Brigade moved to Msus. On arrival there it found that the detachment guarding the dump had destroyed all the petrol on hearing that the enemy were approaching. From now onwards the movements of the 3rd Armoured Brigade were almost entirely dictated by the lack of petrol. Benghazi had been evacuated on 3rd April, after extensive demolitions. On the night of 3rd/4th April, General Neame decided, in view of the weakness of the 2nd Armoured Division, which had been reduced, more by mechanical breakdowns than by enemy action, to about a dozen Cruisers, 20 light tanks and 20 Italian tanks, to withdraw the whole force to the line of the Wadi Derna-Mechili. He ordered 9th Australian Division to withdraw to the Wadi Derna; and ordered and Armoured Division to Mechili, where it would join the 3rd Indian Motor Brigade which had been moved from the Tobruk area to protect that place. The 3rd Indian Motor Brigade consisted of three motorised Indian cavalry regiments which had recently arrived in Middle East and had been sent to Cyrenaica to complete their training. The Brigade had no armoured vehicles, and I had warned General Neame of the danger of exposing it to attack by the enemy's armoured troops.

28. The 9th Australian Division, after repulsing an enemy tank attack at Regima, withdrew without particular incident and in good order. It was found impossible, in view of the development of events to the south, to maintain a position on the Wadi Derna, and the Division was finally withdrawn to Tobruk, where one of its brigades already was. It had established itself west of the Tobruk defences by 7th April.

29. The fate of the 2nd Armoured Division. was very different. From 4th April onwards, owing to breakdown of communications and difficulties as regards petrol supply, Headquarters and Armoured Division was never properly in touch with the whole of the force under its command. The enemy air force repeatedly attacked the Division and made a particular set at wireless vehicles and at petrol carrying transport, which still further increased the difficulties of communication and petrol supply. Headquarters 2nd Armoured Division finally reached Mechili on the evening of 6th April. The intention was that 3rd Armoured Brigade should follow it to Mechili but owing to shortage of petrol the Brigade Commander appears to have decided to go to Derna. He, with his Brigade Headquarters and the greater part of the remains of the Brigade, were cut off in Derna and captured. The King's Dragoon Guards (armoured cars) and the Support Group had also gone by Derna and the majority of them succeeded in making good their withdrawal to Tobruk. The Support Group fought a skilful and determined action on the eastern outskirts of Derna and checked a strong enemy force, putting out of action a number of tanks.

30. Thus on 7th April the force in Mechili consisted of the Headquarters 2nd Armoured

Division (practically all unarmoured vehicles), 3rd Indian Motor Brigade and elements of certain other units, including part of the 1st Royal Horse Artillery. Enemy troops had arrived at Mechili on the afternoon of 6th April; they seem to have consisted of motorised infantry and artillery. The Indian Motor Brigade had no difficulty in holding them off and captured some prisoners. On 7th April the enemy made a series of small attacks on Mechili which were easily beaten off, a number of prisoners being captured. Demands from the enemy for surrender were treated with contempt. The whole force could have withdrawn on this day, but it was still hoped that the remains of the 3rd Armoured Brigade would join it, and it was not till evening that orders were received from Force Headquarters to withdraw to El Adem, south of Tobruk.

On 8th April an attempt was made to break out of Mechili at dawn. The enemy had by this time been reinforced by armoured troops, and our troops came under heavy artillery and machine gun fire. Certain parties which showed great determination and resource, managed to escape. In particular the detachment of the 1st Royal Horse Artillery with some Indian troops broke away to the south and eventually reached Sollum on 11th April. Another party of the 18th Indian Cavalry Regiment with some Australian Anti-Tank guns also got away. The remainder of the force, including practically the whole of the Headquarters of the Division, was captured.

31. There was a further misfortune to the force during the night of 6th/7th April. Lieut.-General Sir Richard O'Connor and Lieut.-Colonel Combe, 11th Hussars, had been sent up to Cyrenaica to assist General Neame during the withdrawal in view of their knowledge of this area and of desert operations. All three officers remained behind at Barce after Force Headquarters had gone back through Derna towards Tobruk. They were proceeding to rejoin their Headquarters when they were held up by an enemy mechanised patrol which had penetrated towards Derna and were all three taken prisoner.

32. The disaster to the 2nd Armoured Division can be attributed mainly to the poor mechanical state of its vehicles, nearly half of which were in workshops while the remainder were in no condition for a prolonged retreat; to the shortage of transport which tied the Division to a vulnerable system of dumps; to the change of plan consequent on the report on 3rd April of the enemy being at Msus; and finally to the breakdown of communications due to loss of wireless vehicles by enemy action and lack of opportunity for charging batteries.

The loss of this armoured force created a dangerous situation since there were few armoured vehicles left available for the defence of Egypt, and without an armoured force it was extremely difficult in the open desert to check the enemy advance.

33. I decided that it was essential to hold Tobruk, in order to secure the large reserves of supplies there and to prevent the enemy obtaining the use of the port and water supply for his further advance. The Italian defences, which had an outer perimeter of some 27 miles, were extremely extended for the force available. I ordered a brigade of the 7th Australian Division to be embarked and sent round to