

rule," by which, of course, is meant Northern Transylvania. Silence, it writes, is not to be construed as a sign of weakness. But there is anything but silence, and the Hungarian Government has lodged a protest at Bucharest, accusing the Roumanians of inciting their kinsmen to disobedience. Highly symptomatic is the seemingly well authenticated story that M. Mihai Antonescu has been discreetly sounding Berlin and Rome as to their probable reactions, if Roumania were to renounce the Vienna Award of 1940. Meanwhile the economic situation in both countries deteriorates from month to month, and it may be supposed that this fact, combined with Germany's obvious interest in keeping them always snarling but never biting, will suffice to hold them back from actual hostilities. Conditions in Budapest are sufficiently characterised by the official promise to provide adequate stocks of textiles and footwear by Christmas, and by the announcement that restaurants can no longer be exempted from fat ration cards, and that potato stocks are only temporarily depleted. In Bucharest food prices continue to soar, and transport difficulties have resulted in a grave shortage of the wood fuel so universally employed for domestic purposes. The public has been advised to lay in its winter stocks of potatoes, but finds it virtually impossible to do so owing to the high price level.

The Serbian situation, far from calming down, at one moment showed signs of developing into a civil war. There are, however, now grounds for hoping that Colonel Mihailovitch and the partisans have reached an understanding. The German High Command adheres to its policy of savage reprisal in the teeth of General Neditch's warning that this is the surest way to drive the nation to frenzy. It is alleged that with great difficulty he dissuaded the Germans from razing to the ground the arsenal town of Kraguyevats, but that no fewer than 2,000 hostages were shot there alone, as an answer to the ambushing and shooting of twenty German soldiers. From a seemingly reliable neutral source comes the news that during November the main line between Belgrade and Nish has been cut in as many as ten places: and indeed the Germans are finding themselves in very much the same position as the Turks four centuries ago, when the main strategic line of the Morava had to be held at all costs, but when the policing of the mountainous country on either side involved the diversion of inconveniently large military forces. The Quisling Government is admittedly helpless: its writ hardly runs within 20 miles of the capital, and it is equally disregarded by the regular insurgent leader, Colonel Mihailovitch, and by the sporadic bands of Communists who have cropped up in certain districts. No one in Serbia, however, is taken in by the tactics of the puppet Government (doubtless on orders of the Germans) to treat Nationalists and Communists as identical. Every effort is being made by the exiled Government, with the fullest approval of London and Moscow, to make clear by wireless messages the absolute necessity for common action and the avoidance of internecine dissensions, and there are excellent grounds for hoping that the First of December, the anniversary of the proclamation of Yugoslav unity in 1918, will be made the occasion for an impressive pronouncement by the Yugoslav Government collectively and by the Serb, Croat and Slovene leaders, in Britain and America, individually.

The gravity of the situation in Greece can hardly be described in words: famine is undermining the whole future of the Greek race, to an extent to which there is no parallel even in the most ravaged and desolate parts of Europe. A responsible American diplomatist, who has been allowed by Italy to supervise the distribution of American food supplies, reports that deaths from starvation have reached 400 on a single day; that child mortality is 80 per cent. higher than a year ago; that in hospitals wounds will not heal; that in the streets of Athens people are constantly fainting; and that prices have soared to astronomical figures. Not only the Italians, who have some bowels of compassion, but even the Germans, who are now alarmed, have stopped requisitioning since the 1st November, but there is now nothing left to requisition.

THE MIDDLE EAST.

The Soviet Government has now approved the revised draft Treaty of Alliance with Persia, but has suggested a redraft of one section. It is therefore to be hoped that the long-drawn-out discussions between the Persian Government and ourselves will shortly be brought to an end.

The draft includes a number of amendments inserted to meet Persian wishes, including an assurance that Allied troops will be withdrawn from Persia not later than six months after the cessation of hostilities. On the other hand, His Majesty's Government have refused to commit themselves, except in very general terms, to granting economic, still less financial, assistance. Vague assurances, involving obligations of this nature, would only lead to trouble; we might not be able to honour them, and the Persians would certainly use them as a lever to extract all they could whenever any difficulty arose. In any case, there is no evidence that Persia is in need of financial assistance.

It is hoped that the Persian Government will accept the revised draft. If not, it will be made clear that we can no longer continue to treat Persia as a potential ally, or to give her such favourable treatment as she has received. The offer, if rejected, will not be repeated.

The new Majlis was due to begin work on the 24th November, when the Prime Minister would offer his traditional resignation. He is, however, ready to resume office if assured of the support of the Majlis and of His Majesty's Government. He has been informed by His Majesty's Minister that our support will be forthcoming if he concludes the treaty, and shows active co-operation with the Allies; and he has been urged to counteract hostile criticism by suitable propaganda measures on our behalf and his own.

The Shah has on more than one occasion demurred to the arrangements made for the detention of his father in Mauritius, and has suggested that he should be given asylum elsewhere. The original intention of His Majesty's Government was that the ex-Shah should remain, till the end of the war, in Mauritius, where he is remote from both Axis and domestic intrigue, and where he is treated with courtesy and consideration. His Majesty's Minister has been instructed to inform the Shah accordingly, adding that it was hoped that the ex-Shah would not regard residence at Mauritius as a hardship. His Majesty's Government have, of course, no wish to restrict his freedom to a greater extent than the general situation requires, and will be prepared to review the whole situation from time to time. Sir Reader Bullard was also authorised to inform the Shah (as a personal statement from himself) that he had reason to believe that His Majesty's Government would be prepared as soon as the treaty was signed to see whether arrangements could be made to transfer the ex-Shah to some other part of the Empire, if he so wished.

The unfortunate incident in connexion with M. Litvinov's journey from Tehran has not yet been fully explained. The main story, however, is clear. M. Litvinov was originally to have travelled by R.A.F. aircraft on the 18th November, but, on the evening before, he decided to wait a day longer and travel by civil aircraft on the 19th. Owing to a misunderstanding, he missed this machine, and he had to wait till the 20th on account of bad weather before he could travel by Soviet aeroplane to Bagdad. His Majesty's Minister at Tehran immediately called to offer his apologies to M. Litvinov and the Soviet Ambassador; and Mr. Eden has telegraphed his regrets to M. Litvinov and to M. Molotov. M. Litvinov's natural chagrin over the *contretemps* was not diminished when, on arrival at Bagdad, he was informed that the Egyptian Government did not wish him to spend the night *en route* on Egyptian territory. On hearing this, M. Litvinov cancelled his passage via Cairo (though Sir Miles Lampson had arranged for him to spend the night at the Embassy), and he is now travelling to America by the eastern route via India. It now appears that the Egyptian Government had not refused him permission to spend the night on Egyptian territory, and that he was therefore misinformed.

The new law to control exchange was passed by the Iraqi Government on the 23rd November, and entered into force the next day. All the necessary steps have been taken for its immediate enforcement and for the adoption of an import licence system. This measure will enable Iraq to enter the sterling area, and the British Treasury order to that effect will be made within a few days.

It is to be hoped that the frontier dispute between Iraq and Saudi Arabia will soon be settled. In reply to a note from His Majesty's Minister at Jeddah the Saudi Arabian Government has expressed its anxiety to reach a friendly and lasting agreement with Iraq on this question. Sir K. Cornwallis has been asked to inform the Iraqi Government of Ibn Saud's views.

Ibn Saud has now announced publicly that he will not attend the pilgrimage this year, "in view of the present crisis and the scarcity of the means of

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