

whole economic and financial situation. The dire consequences in shortage of goods and soaring prices are coming home to every family, and the persistent rumours that Germany intends to winter a million troops in Roumania are causing intense disquietude, alike on political and social grounds, and are accelerating the pace towards that very inflation which everyone dreads, but regards as sooner or later inevitable.

In Bulgaria the twenty-second anniversary of the Treaty of Neuilly was celebrated, no longer as a day of mourning, but of the healing of old wounds: the students were specially prominent in the demonstrations. The Premier, M. Filov, in his more recent utterances tried to dispel the ill-effects of M. Yanev's speech, with its implicit threat against Turkey (see *Summary* No. 112). On the other hand, in an interview granted to the *Berliner Börsen-Zeitung*, he alluded quite openly to the Government's intention of repopulating all Thrace with Bulgarian peasants—a policy striking at the root of the whole Turco-Greek resettlement after the Great War, and hence only two or three degrees less objectionable to the Turks than to the Greeks themselves. The Bulgars seem unable to realise that it is the settled policy of the Germans to incite each Balkan nation against its neighbours: and the fate of the Hungaro-Yugoslav Convention of last spring should serve as a reminder that the Turco-Bulgarian Convention of last winter is no less brittle. The Minister of Commerce, Zagorov, has given a business-like account of the supply situation, but his speech contained some remarkable admissions. The last two wheat harvests appear to have been at least 25 per cent. below that of 1939; there is a serious shortage of coal, and there is such a shortage of leather that the peasants are afraid of having to go barefoot before the winter is out, and that in consequence a plan has had to be devised to check excessive slaughter of cattle.

In dismembered Yugoslavia resistance continues; and some well-merited losses are being inflicted upon the barbarous Ustashi; many refugees from Bosnia and Croatia are swelling the ranks of the Tchetchniki, who are co-operating more and more closely with General Mihailovitch's regulars. The Nazi press chief in Belgrade has openly admitted that the Germans are having great trouble with "Serbian bandits," but adds that Serbia will be cleansed, and that "we shall act with complete brutality." It is at least something that the threat to raze Belgrade to the ground when published in Washington, with the approval of the White House, was officially denied in Berlin, whose spokesman said that this was "not a German custom." The Neditch Government is quite impotent, and his official organ, *Novo Vreme*, which is of course controlled by the Germans, has referred to Serbia's absence from the Berlin ceremony in the following terms: "Though our Government does not participate for formal reasons, its policy is fixed and conforms in spirit and deeds with that of the founders and adherents to the Anti-Comintern Pact."

The 1st December—the twenty-third anniversary of Yugoslav unity—provided the exiled Government with an admirable occasion for demonstrating solidarity. The words of its official spokesman, Dr. Krek, were warmly endorsed by Mr. Amery, who expressed the view that "without some wider combination and reconciliation of the nations of Central and South-East Europe, there can be no real equality or independence." While the Simovitch Government is irrevocably committed to Yugoslav unity and to the Serb-Croat Agreement of August 1939, which is the basis of the present coalition, certain extremist tendencies have here and there made their appearance—some of the Croats, in their fear of being outbid by Pavelitch, laying undue stress on Croat "independence" inside a nominal Yugoslav State, some Serbs, in their very natural anger at Ustashi outrages, short-sightedly trying to identify the whole Croat nation and also the Catholic Church with a relatively small terrorist clique which is known to have German support. The anti-Croat thesis has unfortunately been adopted by *Srbobran*, the leading Serbian paper in America, and has latterly been combined with unwarranted personal attacks upon M. Shubashitsch, the Ban of Croatia (who, as third in the triumvirate representing Dr. Matchek in exile, has gone to Washington, while MM. Krnyevitch and Shutey remain in London). M. Shubashitsch himself made the magnanimous gesture of going with his entire staff from a big meeting of the Central Croat Organisation in Pittsburgh to greet the Serbian community in their hall and then the local Slovenes in their church. But though this won approval on all sides, the campaign has continued, and the Slovene deputy leader, M. Snoy, crossed the Atlantic in order to urge the necessity for firm handling of the wreckers.

Special attention is drawn to this still open incident in view of the vital importance of the Yugoslav colonies in America to the whole future of the Yugoslav cause.

## ERRATUM.

*Summary* No. 112, p. 15, second paragraph, line 25: for "Against whom, asked General Daskalov" read "Against whom, it asked General Daskalov."

## THE MIDDLE EAST.

Final amendments to the proposed treaty with Persia, most of them inserted to meet Persian wishes, have been recommended to the Soviet Government by their Ambassador at Tehran, who has agreed on them with Sir R. Bullard. As soon as the Soviet Ambassador receives instructions from his Government, he and Sir R. Bullard will present the revised draft to the Persian Government. Meanwhile the German advance in South Russia has revived once more in Persia a pro-German tendency, reflecting dissatisfaction with internal conditions rather than a genuine appreciation of the Germans, to whom the Persians only look to rescue them from their present ills.

Germany is no doubt alive to this, and though her nationals have long since left the country she can still make use of Persian sympathies. The attention of His Majesty's Minister at Tehran has been called to a recent message in *The Times* from its correspondent there. The message referred, as an example of Nazi partisanship in the offices of the Persian Government, to the passing of telegrams between Berlin and Tehran, in spite of the fact that the Persian Government had undertaken to break off telegraphic communication with Germany; while a despatch from Tehran to a New York newspaper had met with unaccountable obstruction. "All this goes to show," concluded the message, "that British diplomacy has much leeway to make up in Persia." Wireless communication between Germany and Persia, was also continuing as late as the 21st-22nd November, though it should have stopped on the introduction of the censorship on the 30th October, and His Majesty's Minister has been asked to arrange for its immediate cessation.

The food situation in most parts of Persia still remains unsatisfactory, and is doubtless a contributory cause to the growth of anti-British and pro-German feeling, which is specially noticeable in the districts of Kermanshah and Shiraz.

Colonel de Gaury, now on his way from Transjordan to Aden, has paid a courtesy visit to Ibn Saud at Riyadh, and while there has held a series of conversations with Ibn Saud on various aspects of the war as it affects Arab countries. In discussing Syria, Ibn Saud said he thought that country would be better off with a President than with a King who lacked kingly attributes (referring, no doubt, to the Amir Abdullah's alleged ambitions). As regards Transjordan, he was well aware of the work proceeding between Maan and Aqaba, which he thought was natural enough in wartime; thereby perhaps implying that he would defer any claim to that territory until after the war.

As for Arab federation, Ibn Saud did not see much hope for it at present. Arab statesmen, he said, had shown no signs of concerting plans with regard either to the Jewish problem or to the war, which, in his opinion, were the two greatest problems that Arabs would ever be called upon to face. If His Majesty's Government were seriously interested in federation, the impetus would have to come from Great Britain, to whom Arabs owed everything, who had given Arabs their freedom, and who helped them to maintain it to-day.

Colonel de Gaury found Ibn Saud in excellent health and intellectually as bright as ever—a report which should serve to dispel the local rumours (due to his decision not to perform the pilgrimage!) of his failing health and brain. Ibn Saud has expressed his gratitude for the special advance of £250,000, recently made him by His Majesty's Government, adding that he was grieved that he should be seeking aid from Great Britain at a time when he himself should have been giving instead of receiving it.

Iraq was admitted to the sterling area on the 28th November. The proposed moratorium on payments to the Iraq Government by the British Oil Development Company and the Basra Petroleum Company has led Nuri Pasha to press for a loan as *quid pro quo* from the companies concerned. Sir K. Cornwallis has endeavoured to persuade General Nuri to drop this proposal; but he persists in his request, influenced perhaps partly by the hope of obtaining money, partly by a fear of hostile criticism.