An interview granted by the Lieutenant of the Realm to the correspondent of the New York Times seems to have created a minor storm amongst some of the parties forming the Italian Government. The Prince's remark that the "Institutional" question should be settled by a plebiscite and not by the Constituent Assembly appears to have been the main cause of the trouble. In the Prince's opinion, a plebiscite should settle the question of a Monarchy or a Republic, and the Constituent Assembly should subsequently decide what form the Monarchy or the Republic should take. In support of this argument the Prince quoted the principles of the Atlantic Charter, in which it says that all peoples have the right to choose the form of government under which they will live, and also emphasised the fact that the feeling of the people towards this question, as yet unknown, might differ from the already known feeling of the political parties. The Prince realised that one of the chief dangers to the Monarchy was a certain faction, which had been closely connected with Fascism and had now rallied to the Monarchy for reasons of safety, but, in the present circumstances, the Prince thought that there was more danger of a dictatorship under a Republic than there would be under the Monarchy.

A communiqué has been issued by the Italian Government on this interview which reaffirms that the political parties which form the present Government are the expression of the Italian people in their fight for liberty, and repeats their solemn pledge that the "Institutional" question will be decided by the Constituent Assembly in accordance with the Law of the State.

The executive of the Italian Communist Party, after having been in conference since the 8th November, has now published a statement of the Party's aims in relation to the international situation. The chief points of this statement are as follows:

The Communist Party reaffirms its support of the Government but reserves its right to criticise the Government when circumstances demand it.

The Party considers Italy's participation in the war insufficient and demands the purification of all reactionary elements, especially in the Army, so that the latter may do more for the liberation of Italy and less for the interests. of political parties.

The Party calls on the Government to take more active measures to improve the transport and food situation, and for this purpose demands that authority should be generally transferred from the Allied Commission to the Italian Government which, according to this statement, has not yet been done despite Allied declarations.

The Party also demands elections for local administration authorities in those districts where conditions are sufficiently settled to admit of them, and more recognition for the local Liberation Committees. The Party stated it had no objection in principle to the suggestion for a Consultative Assembly, but foresaw the danger that it might become the playground of reactionary forces.

The statement finishes with instructions to its local representatives to support the Government in conformation with the Party's policy, to uphold the Committees of Liberation and to learn to conduct themselves in a manner uniform with national and democratic unity. The Party noted the increasing agreement between the Communist and Christian Democrat Parties with satisfaction and, as regards the future, declared itself for Republican agrarian reforms and the intervention of the State in industrial and banking concerns.

Mr. Harold Macmillan, the British Resident Minister, Central Mediterranean, has been appointed Acting President of the Allied Commission, and Commodore Ellery Stone, U.S.N.R., has been promoted Chief Commissioner.

On the anniversary of the Italo-Austrian Armistice in 1918 Signor Bonomi, the President of the Council, broadcast a speech in which he said that the Italian people should make themselves two promises, firstly to destroy every vestige of fascism and secondly to oppose every manifestation of the nationalistic spirit which was responsible for their present deplorable state. Signor Bonomi also said that, although party politics are a guarantee of liberty, yet the politicians themselves must not put their own interests above those of the nation as a whole.

In North Italy the amnesty extended by Mussolini to partisans giving themselves up expired on the 10th November. According to the Fascist propagandists, numbers of partisans have reported to the authorities, and much capital has been made of their pitiable state, and of the alleged fact that, contrary to "the lying campaign of the enemy," they are under no compulsion

to join the Republican Armed Forces or to work in labour camps, but are merely being sent home. However, as the Gazette de Lausanne points out, anyone who joined the maquis in order to elude the penalties of the law or in hopes of receiving foreign money will be excluded from the amnesty and liable to prosecution; so it would seem that here, too, the Fascists are playing their usual game of giving with one hand and taking away with the other. In the meantime, General Alexander has issued orders to partisans to conserve their energies during the winter months.

Though the fevered evacuation preparations of October seem to have died down to some extent, it would seem that these were very extensive and even included arrangements for the transfer to Germany of all Italians whose known Fascist or German sympathies would endanger them in the event of an Allied advance. Plans are also said to have been made for leaving an underground nucleus of Fascists behind should evacuation become necessary. Some sort of semi-official agreement seems to have been reached between the Milan industrialists and the local military authorities whereby the industrialists hope to save their factories from destruction on payment of a lump sum, should the Germans give the order to mine them. Two prominent Milan industrialists, Alberto and Piero Pirelli, are rumoured to have been deported to Germany.

Record wheat, rice and maize crops are reported, and large-scale transporta-

tion to Germany seems to be taking place.

SOUTH-EASTERN EUROPE.

Hungary.

During this week bad weather hampered military operations in Hungary. The Soviet attack on Pest made no progress, and after much fluctuating fighting the Germans claimed to have established a defensive line outside the city. They also claimed to have contained and partially expelled Soviet troops which had landed on Csepel Island. The Red Army, however, began a drive northward cutting the Pest-Miskolcz railway at Mezokoved and taking Jászbereny, while in the south, Soviet and Yugoslav Partisan troops crossed the Danube east of Pécs. Partisan activity is reported from the Croat frontier.

Colonel-General J. Vörös, Chief of the Hungarian General Staff up to the 15th October, has broadcast from Moscow. He said that he himself had been arrested by the Gestapo but had escaped and crossed over to the Russian lines. All orders issued in the name of Horthy from the 16th October onward (this includes Horthy's abdication and his recantation of the order to the troops to cease fire) were counterfeit and illegal. Vörös called on the Hungarian troops to come over to the Russians and not to defend Budapest, and to the population to resist the Germans by all means. He ended: "Long live free, democratic Hungary under the leadership of Regent Horthy!" The Soviets claim further desertions by Hungarian officers and men; the remaining Hungarian troops are now under German supreme command, and interspersed among German formations so that movement is difficult for them, but their reliability, from the German point of view, must be regarded as very doubtful.

Men of military age have been evacuated from the eastern suburbs of Pest and much of the civilian population is fleeing from the city to west Hungary where much destitution and disorganisation now prevail. The Central Government has not yet moved, and has promised that Budapest will be held to the last. Meanwhile the Arrow Cross Party is strengthening its grip on the country. A regular network of confidence men in all offices is being established and more party men are being appointed to all key posts. Further arrests of supporters of the Horthy régime are reported.

The Government, which continues to appeal in particular to the workers, has announced its intention of establishing a new "Occupational Organisation of the Working Nation."

Roumania.

The last few days have been uneventful and have been given over to taking stock of the situation created by the change of Government. There is a general impression that events are moving towards a new crisis, as the reconstituted Government lacks the elements of stability.

The outstanding feature of the week's news is the arrival of M. Vyshinski at Bucharest to deal with the question of compliance with the terms of the

armistice. He was received by the King at the Castle of Peles. The new Minister of the Interior, Penescu, has announced that his department is drafting an administrative law for the holding of communal elections.