

suggests should be taken in order to repress all attempts to undermine the material and moral cohesion of the nation, to co-ordinate industrial and agricultural production and, generally, to impose ruthless discipline.

An address delivered by the Pope to 20,000 workers has been hastily acclaimed, it seems, in Germany as a sharp condemnation of communism, and as having buried all hopes of an understanding between the Roman Catholic Church and the Soviet Union. No such arbitrary interpretation has as yet been placed upon the Pope's words by Italian propagandists.

#### SOUTH-EASTERN EUROPE.

Left-wing Opposition comment on Kállay's speech, now received, showed a tendency to endorse those passages in which Kállay announced his devotion to the cause of Hungarian independence, while emphasising the continued opposition of the Left wing on internal issues. "Our principles and policy," wrote the Social-Democrat *Népszava*, "like those of the Government Party, have not altered. Therefore, after the Prime Minister's statements, we are still in opposition to the Government." The political activity of the Left continues to be lively—the smallholders in particular, who are less obnoxious to Conservative and Catholic circles than are the Socialists, showing a revived vigour.

The Right-wing Opposition complained querulously both of the Left and of the Government. There were persistent rumours that they had planned a *coup d'Etat*, which had only been frustrated by prompt Government action; although a speech by one of their leaders seemed meant as a repudiation of this. Defeated for the moment, they will probably bide their time until a more favourable opportunity occurs.

The resignation of the Minister of War, Nagy, was abruptly announced on the 13th June. Nagy was obviously sacrificed to the Germans, who certainly resented the part he had played in withdrawing the Hungarian forces from Russia. It is less clear whether this belated sacrifice (which was probably demanded at the Hitler-Horthy meeting) was due to renewed pressure, or whether Kállay now felt himself strong enough to make this appeasing gesture without loss of face; and it is still quite uncertain whether Nagy's successor, Csataj, will or will not carry on the old firm under a new name. Csataj, who took command of the Second Army when General Jány was wounded, is politically an unknown quantity.

There are rumours of renewed German demands on the Hungarian harvest and signs of resistance and discontent among the farmers, which the Government tried to allay by insistence that the harvest would be used for the national benefit. Speaking on the 9th June, the Minister of Supply, Szász, emphasised that fulfilment of the Government's requisitioning plan was not beyond the farmers' capacity, nor unreasonable, since industry, as well as agriculture, was controlled and the country's supply of raw material would be used "exclusively to meet the requirements of wide sections of the population."

The number of Hungarians who have enlisted in the German S.S. is about 30,000 in all. All of these are members of the German minority and have been deprived of their Hungarian nationality. The renewed appeals for more recruits to-day are consequently meeting with considerable resistance and leading to desertions from the Volksbund.

Foreign reports that 170,000 German soldiers were being tended in Hungarian hospitals were officially denied; it was stated that only five German, six Italian and one Roumanian soldier were under treatment in Hungary.

The Trade Agreement with Switzerland was renewed.

There were industrial conversations with Italy and important conversations with a German delegation which apparently renewed an old suggestion, already made and rejected at least once, that Germany should increase her clearing debt now by credits to be repaid after the war. It was stated that a limit of 200 million reichsmarks had been fixed, mainly for the supply of raw materials and industrial products.

The reactions so far received to Mr. Gibson's *Daily Telegraph* interview were moderate. It appeared, however, that the Hungarian press was not yet in possession of the full text of the interview.

The news from Roumania was scrappy.

An unconfirmed report alleged that Horia Sima, the Iron Guard leader, was in Bucharest and had taken refuge in the German Legation. Roumanian losses

in the campaign against Russia included, according to official statements, 25 Generals, 41 Colonels and 63 Lieutenant-Colonels.

Arad, Timisoara and Turba, all in Transylvania, are reported to be "the first towns to be Jew-Free."

Potato and bean flour are in future not to be used in bread, which is to be composed of 25 per cent. wheat, 25 per cent. rye and 50 per cent. barley. Trade agreements were concluded with Switzerland and Sweden.

There has been fierce fighting in Central and Western Montenegro. The Germans claim to have advanced to Plevlje and to have surrounded the partisans in the mountains around Durmitor; while Mihaylovitch's units appear to have been pushed eastwards into the Sandjak away from contact with the Italians.

The Zagreb Press has alluded to mutual approaches between partisans and chetniks; and the Croat Director of Propaganda spoke of a possible reconciliation between the two forces. Radio *Free Yugoslavia* took the line that Jevchevitch's collaboration with the Italians had created "great confusion among honest patriotic chetniks," and explained the fact that many chetniks "have joined the partisans or gone back to their homes."

The fight against the Axis has been kept up all over Croatia, in Srem, in Lika, in Northern Croatia, in Western Bosnia, near Zagreb (where an aerodrome was raided), and on the coast. *Free Yugoslavia* claimed that the partisans were receiving deserters from the Italian and Croatian armies. Desolation reigns in all Southern Croatia and Bosnia. The railway from Konyitza south to Dubrovnik has been thoroughly wrecked. The best that the Zagreb Press could say was that the food situation in Hercegovina was "a little improved." Some sabotage also continued successfully in German-occupied Slovenia.

A recent report stated that Mihaylovitch and the Croat Peasant Party remained mutually alienated; but that Mihaylovitch was in close contact with the Slovene nationalist organisation.

The strongly pro-Allied sentiments in Belgrade are emphasised by the need for sixty police to control the university, and by the complaints of the Zemun Press that "the bacillus comes across the Save in 2,000 or 3,000 examples daily. Our people, infected with these bacilli, carry on the enemy propaganda at Zemun. They must be arrested or punished."

Still more of the Serbian manhood are being conscribed for labour service. On the 1st June the 1924-25 classes were warned to start service on the 4th June; and on the 11th June it was published that the 1903-07 classes in Belgrade must do a month's service. Recalcitrants would be sent to Germany; and their families would be treated as hostages.

Sabotage appears to have increased again in Serbia. *Free Yugoslavia* appealed to Serbians to resist Neditch's orders for the collection of wool for the Germans.

From Bulgaria comes the usual series of outrages always attributed to Communists, and arrests. Discontent and discouragement appear to be increasing daily, and even the enthusiasm over the recovery of Macedonia is said to be waning with the revelation of the expensiveness of the acquisitions, even if they proved permanent, and with the realisation that in Macedonia itself Bulgarian rule is not proving so popular as was expected. This realisation is certainly leading to a revival of the old and always fairly widespread movement in favour of rapprochement with Yugoslavia, on the basis of a compromise over Macedonia and perhaps even Thrace. The opposition, however, remains disorganised and ineffectual, and such action as is taken probably comes in fact mainly from Communists.

The visit of the Reich Youth Leader, Axmann, to Sofia, where he inaugurated a prolonged fraternisation with the Bulgarian Youth Organisation, Brannik, was probably an attempt to stiffen up pro-Axis elements, among which Brannik must be counted.

Meanwhile, the Government is taking every measure in its power to ensure that its harvest is completely gathered in.

From Albania come reports of more guerrilla successes against the Italians—at Argyrocasto, Fier and Libohova—and of the Italians taking away 300 men and women as hostages from Korça and 200 from Libohova. Early in April, it is stated, General Pariani was deterred by demonstrations in Tirana from shooting Albanians in reprisal for an attempt on the Prefect of Valona, and since then resistance has been stimulated by the eviction of the Axis from Africa. Italian troops do not venture into the streets alone or unarmed, the attempt at mobilisation has failed and the Italians are now having difficulty in collecting the taxes. General Pariani's promises to re-establish the army, gendarmerie and