

that in that case Italy would be subjected to terrors of war infinitely more exacerbated than if she were unluckily to become a battlefield owing to enemy invasion." It has not been possible as yet to check the accuracy of this brutal reminder to Italy of her unfortunate military situation. A gentler prod to Italian memories has been administered by another German journalist who is credited with declaring that to make a separate peace would be tantamount to Italy's ruin, since industrially she is completely dependent on Germany and her other allies, and therefore from a sound economic standpoint alone such a peace would be quite impossible. At the same time, these threats, if threats there have been, have been accompanied by encouraging and gratefully acknowledged tributes to the gallantry and dignity with which the Italian nation as a whole is supporting and reacting to the increasing weight of the Allied bombardments from the air. Nor has there been merely verbal support. German reinforcements, apart from the *Luftwaffe*, have arrived in Italy, though the exact number is open to discussion.

The Italians, of course, are continuing to proclaim *urbi et orbi* that they are all resolved to die, if need be, in the last ditch. In a much advertised address delivered on the Campidoglio to a gathering of people prominent in the political and cultural life of the capital, Senator Gentile recalled the shout of Garibaldi to Bixio at Calatafimi "Here we either build Italy or we die." That voice, Gentile declared, was not dead, and to-day they must say to themselves "Either we save Italy or we die." Earlier in his speech Gentile castigated those Italians who believed that they were above events and regarded themselves as spectators. These false Italians were assuming the tremendous responsibility of treachery. No Italian to-day had the right to say: "This is not my war, I did not want it." Such words as these, interpreted by Gentile's hearers as directed against certain "intellectuals," when taken in conjunction with the much trumpeted purge of the Fascist Party, and with the damning admission by the *Stampa* that "the Fascists whose membership cards are withdrawn, either because they help British prisoners or because they no longer want to 'wear the badge' or for insufficient 'sentiments of Italianity' or for 'lack of discipline' are no longer a number but have become a legion," completely confute all the asseverations that the Italian nation is a solid compact block of granite. There is, as a matter of fact, good reason to think that both the army and high political functionaries are taking a very pessimistic view of the situation. In the army, morale is somewhat better, partly since some officers think that the United Nations will only attack the Italian islands—at least this year—and that the brunt of the invasion will be felt in the south of France. Other army officers, however, expect Italy to be invaded. There are frequent complaints that the reinforcements in men and material furnished by Germany fall short of what was promised. The letter which some of the inhabitants of Pantelleria have, it appears, sent to General Eisenhower, thanking him for their liberation and denouncing "the imperialistic frenzy of the two madmen, Hitler and his faithful vassal Mussolini," may well prove to be only the precursor of many similar messages of thanksgiving. A subsidiary line of propaganda has advertised the number of those who "have fallen in the name of Fascism and for the greatness of the country." The order is interesting and shows that at the back of their minds the Fascists are fighting primarily to save their own skins from their countrymen. Up to the date of Scorza's report 41,152 members of the Party had been killed, of whom 1,427 were hierarchs. Another method of kindling the fighting spirit has been to issue broadcasts on the British peace aims and to assert, *inter alia*, that a defeated Italy would be relegated to the rank of a second-class Power, without colonies for her surplus population, with her key industries under ex-enemy control, and left entirely at the mercy of the U.S.S.R.

More changes have been made among the Federal Secretaries and the Directors of various important associations depending from the Fascist Party. The search for man-power is being pursued with unremitting vigour. Large numbers of university students are reported to have been drafted into the army or some form of war-work, and even certain types of convicts are to be employed in various services. University students have been causing no little anxiety lately, and it is doubtless to forestall and counteract their anti-Fascist propensities that Scorza has decided to establish groups in secondary schools which are to be trained for leadership.

Sir D'Arcy Osborne has returned from leave to the Vatican and had a long audience with the Pope. Weizaecker, the new German Ambassador to the Holy See, has arrived in Rome with his wife.

SOUTH-EASTERN EUROPE.

Nagy, the retiring Minister of War, was given a remarkable "send-off" by the whole anti-German press, including the Socialist organ, all emphasising his courage, sincerity and patriotism. Nagy himself, in his farewell speech, strongly justified his own conduct, and emphasised that he had acted throughout, not as a politician, but as a servant of the nation. His successor, Csatai, is described as a good fighting soldier, but colourless politically. He comes of a family which was, indeed, of German origin, but had been settled for centuries in Hungary. It now seems certain that many Imredists were arrested during the early days of June.

The coolness between Hungary and Germany is now hardly disguised. Germany is signifying it by numerous press articles praising Roumania and more or less directly supporting her claims to Transylvania; while Hungary, as usual in such cases, flies to the arms of Italy, whose Minister of Education, Sgr. Biggini, visited Budapest and was received with great enthusiasm. This was probably only an outward indication of much more sustained effort to co-ordinate Hungarian and Italian policy.

Timely rain was said greatly to have improved the prospects of the harvest which has already begun.

The increase in the bread ration forecast last week was officially announced on the 23rd June. The daily bread ration is to be raised from 160 gr. to 200 gr. as from the 1st July, and the monthly flour ration from 1.5 kg. to 2 kg. from the same date, and to 2.8 kg. as from the 1st September. The supplementary bread ration for heavy workers will be 300 kg. as from the 1st July. At the same time, the prices at which cereals are taken over from the farmers have been substantially increased. This measure is the first-fruits of the general readjustment of prices and wages promised by Kállay a month ago—a promise repeated in a full-length speech on the 27th June. Kállay said that the aim of the readjustment would be "equalisation" and that it would be rigidly enforced. Details were, however, not announced; although further taxation, both direct and indirect (the former chiefly on war fortunes and on non-combatants, *i.e.*, on Jews), was foreshadowed.

The Queen-Mother of Roumania has returned from a visit to Italy, and the Vice-Premier, Mihai Antonescu, is going to Italy this week. A Russian review of the military record of Germany's satellites puts total Roumanian losses at 700,000, of which half are killed or prisoners. These figures correspond closely to estimates of informed circles in this country, and they suggest that Marshal Antonescu's recent statement (see *Summary* No. 189) that the killed and prisoners number 500,000 was an intentional exaggeration.

Details of the decree establishing private ownership in Transdnistria have now come through. Allocation of land is to be made to peasants, taking into account their previous sacrifices and successes in production, their social position and size of family. Town dwellers are to be given ownership of their houses on similar principles; and workmen are to have profit-sharing bonuses up to 25 per cent. of their wages for production in excess of factory quotas.

The Under-Secretary for Roumanisation has presented a report on the progress made by his department and has been congratulated by Marshal Antonescu and ordered to complete his task. Since 1940 the number of enterprises employing Jews has been halved and the number of Jews employed reduced by 75 per cent. Only 2.35 per cent. of officials and 0.59 per cent. of workmen are now Jewish.

From the 21st June German announcements stated that organised resistance in Montenegro had been "eliminated for good" by the 15th; that Mihaylovitch had escaped; that in the final phase the main resistance had been offered by Tito's partisans; that a few insurgents had got away to the north-west and that small groups might still be in the Montenegrin mountains; that the Axis troops stationed in Montenegro would not "suffice for every emergency"; and that a potential fifth column in South-Eastern Europe had been suppressed. Radio "Free Yugoslavia" from the 17th to 21st June spoke of some partisan units breaking through the enemy lines, but otherwise only dwelt on the fierceness of the fighting and the terrific attacks from the air. It certainly appears that the insurgent forces have been disrupted; even if some have escaped, to fight again.

The Germans are at pains, by discrediting Mihaylovitch, to disrupt his reconciliation with the partisans. On the 2nd June the Serbian Prefect Lukitch took the opposite line, condemning Mihaylovitch for once more joining up with