

for facilities for German troop movements southwards; the recent speech of the Swiss Commander-in-Chief, General Guisan, in which he emphasised that Switzerland was sole mistress of her Alpine communications, was a sharp warning to the Axis that such a demand would be resisted.

On the other hand, the supply of munitions to Germany from Swiss factories, immune as they are from Allied bombing, has increased in relative importance, and this has made it even more necessary than heretofore to ensure that it should be kept within strict limits.

In this connection there has been a development during the past week. The Swiss-German Trade Agreement of 1941 expired at the end of 1942 and was not immediately renewed. In April last, however, the German and Swiss Governments agreed to revive this agreement. The Germans, on their side, undertook to supply the Swiss with the arrears of coal and raw materials outstanding under this agreement, while the Swiss undertook to give the Germans credits for the purchase of the munitions and other war materials in Switzerland whose supply was provided for in the 1941 Agreement. In addition, the Germans were to supply further quantities of coal over and above those provided for in the 1941 Agreement, while the Swiss were to give the Germans additional credits for purchases in Switzerland. His Majesty's Government and the United States Government have now informed the Swiss Government that they take a very serious view of this policy and that they have found themselves compelled to mark this by the adoption of certain measures, the chief of which is the suspension of navicerts to Switzerland until such time as the two Governments are able to review the results of the German-Swiss negotiations now in progress.

The effect of this is that Switzerland is now completely cut off from supplies from Allied sources, except for the goods coming under the limited Compensation Agreement signed last December (see *Weekly Summary* No. 169), which is still in force and/or shipments approved on humanitarian grounds.

SPAIN AND PORTUGAL.

The Spanish press campaign against air raids, coinciding with the intensification of the bombardment of Germany, is a natural development of the Caudillo's peace-tour of Andalusia. General Franco, seeing a ray of hope for his own future in Spanish mediation between two combatants who, he thinks, will exhaust each other without decisive victory going to either, is quite sincere in his conviction that Spain has a pacific rôle to play at this stage of the war. The olive branch may now be waved encouragingly at the belligerents, especially towards those who are hitting the harder. And although German anxiety may be sensed behind the appeals of the Falange press, there is no need to look for Axis pressure on General Franco himself, for, as has already been pointed out in this *Summary*, he is fancying himself strongly as the *caballo de batalla* of Peace. Blake may have been right in suggesting that—

"The hermit's prayer and the widow's tear
Alone can free the world from fear";

but the Caudillo, hoping perhaps that even a crocodile "tear is an intellectual thing," really does believe that he can persuade by the force of his profound Christian convictions. And neither the reminder of the Secretary of State, in his speech at Portsmouth on the 28th May, that His Majesty's Government are not impressed with "belated conversion" in any quarter to the view that aerial bombardment is an improper weapon of war, nor the still more pointed remarks of Mr. Elmer Davis, Director of the O.W.I., are likely to shake General Franco's missionary zeal. For he has quite forgotten that in February 1938, when an appeal by the International Committee, supported by His Majesty's Government, was made to him to stop the bombardment of open towns, he replied in the sense that, much as he regretted the destruction caused, such measures, owing to the barbarous conduct of the "Reds," they were a necessary part of the war in which he was engaged.

Although to most people in Spain an Allied victory now seems assured, there is still widespread doubt in military circles about the possibility of a German defeat. This scepticism is natural, for the Spanish Army owes its training, its organisation and its principles to Germany. All its traditions and the spirit of its caste would be profoundly shaken by the defeat of the German Army. That is why the film "Desert Victory," recently shown by the Military Attaché to the Minister of War and the Spanish General Staff in the War Ministry, created

nothing but alarm and despondency; not because the Spanish Army is politically pro-German, but because the pedestal on which it posed began to look as if it were not going to be large enough.

But except for the Ministry of War and the prisons, which are still very, very full, there are little outward signs of uneasiness in Spain to-day. Personal observation confirms all reports of general improvement. Never have the theatres, cinemas, cafés and restaurants been more full. Never has more money been spent on luxury goods which tradesmen are bringing out from hidden stocks. Though a genuine recovery is partly the basis for such apparent prosperity, it is likely that a good deal of the spending represents the discarding of black market profits, which, for obvious reasons, cannot be put into the bank. The genuine recovery is seen in the lowering of "estraperlo" prices, reflected in the reduction from 40 to 38 pesetas in the price of a meal at the *Ritz*, and in the increase in, and better distribution of, rationed goods to the general public. A year ago most people's thoughts were concentrated on the next meal; to-day the middle and upper classes at least are still thinking of the next meal, not for its content, but for the clothes they will wear and the company they will meet at table. Such is the "inconciencia" of the Spaniard that, give him a little extra to eat, the sunshine will induce the feeling that all is good in a good world. But all is not good in the Spanish world; there are clouds on the horizon, and they are full of blood. It will be the greatest test yet of General Franco's political sagacity when the moment comes, and it may be before the year is out, for him to steer Spain past the storm which, thought by many light-heartedly to be receding, is in fact approaching the Spanish scene as the war reaches its climax.

In Tangier there is no such easy atmosphere as in Spain; there the Spaniards are deliberately doing everything they can to increase their power at the expense of all other nationalities. They are compensating in Tangier for the failure of the Falange imperialist fantasies of 1940. They realise that time is getting short, and hope, at the end of the war, to be in such a strong position that the Allies will find it impracticable to dislodge them. That is the explanation of the long series of incidents recorded in this *Summary* since the signing of the Provisional Agreement in February 1941, all of which have been consistently inspired by a determination to whittle away in the Tangier Zone any authority other than Spanish. The latest move is the arrest of a number of young Moors and Jews who had volunteered at the French Consulate-General for enlistment in the French Army in Morocco. It seems that Jews were also being arrested for subscribing to British war funds or appearing to co-operate in any way with the United Nations. As an extension of these measures the offices of the local British paper, the *Tangier Gazette*, which, in spite of all Spanish attempts, has never ceased publication, were picketed by the police, and the employees, who were not British subjects however, fearing persecution, remained on the premises. The Governor of Tangier, in reply to strong representations, has, however, assured Mr. Gascoigne that the pickets would be removed and that the staff would not be molested.

What with frustrating enemy intrigue, combating non-belligerent unfriendliness and struggling with the neutrality of our oldest ally, British diplomacy in the Peninsula does not have an easy course. The latest example of the meticulous interpretation of neutrality of the Portuguese Government is seen in a new regulation forbidding Portuguese shipping companies to give passage to belligerent nationals of military age without the permission of the Junta Marítima. This is, in effect, discrimination against the United Nations, for, if applied, it would prevent our shipwrecked sailors from being brought back from the Atlantic Islands or Portuguese Africa in Portuguese ships. It is not inspired by Dr. Salazar himself, but is a reprisal by the not Anglophil Minister of Marine, who is angry about British control of Portuguese crews and other measures which he holds to impinge on that blessed conception of Portuguese sovereignty. However, there seems little likelihood of any application being refused and, in the event, all it amounts to is one more gesture of national pride.

ITALY.

As the Italian airfields, ports and other military objectives are being bombed with increasingly devastating effects by the Allied Air Forces the inhabitants are being plunged into what the Rome correspondent of one Scandinavian newspaper calls ever greater "sorrow." The employment of this conspicuous under-

[25528]

c. 2