

only to the degree that such exploitation matches current domestic needs and domestic financial and technical equipment.

After the conquest of the country, the Italian administrators soon recognized that such exploitation as the Negus had permitted had been primitive in the extreme, and that colonial development of the land's enormous resources must start from the bottom up.

Native production of raw materials, native industry and agriculture, were conducted in the manner of Biblical times. The first step was to provide communication by road, and by telegraph construction, and this the Government refused to entrust to private enterprise. Already concrete roads totaling 2,500 miles have been laid, and in addition there are 11,000 miles of mountain paths which can be used by motor vehicles. In view of the obstacles presented by unknown terrain and the long and destructive rainy season, the construction in the course of only three years must be regarded as an engineering feat of great magnitude.

The road-building, now complete in

its initial stage, has permitted the start of the second step in the economic development of Ethiopia. The immediate problem to be solved was transition from an archaic to a modern monetary system. Another move, not yet completed, was a practical survey of the country's mineral wealth, since those made by agents of Haile Selassie had not touched huge stretches of territory, particularly in western Ethiopia. Private enterprise has interested itself chiefly in hydro-electric installation, coffee cultivation, furs and lumbering. Such exploitation financed by private Italian capital is on a scale that none would have believed possible even a few months ago. Small savings-accounts are included in that private investment. Since the current war in Europe is very substantially improving Italian economy, the nation's income is increasing and some substantial part of that increase will unquestionably be invested in the new Empire. The individual Italian has been sold on the potential yield of Ethiopia. In a personal sense, he feels himself an empire-builder, even if he invests as little as fifty lira.

II. EYES TO THE BALKANS

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LAST March, Fascist Italy none too enthusiastically approved the German occupation of Czecho-Slovakia. In September, she accepted the partition of Poland. It almost seemed that nothing could change a policy so automatically determined by the exigencies of the

Rome-Berlin Axis, whose successive *étapes* are calculated far in advance. The impression is current, however, that the machine no longer functions smoothly. In the meanwhile, Rome has become very active in the Balkans, and here is the key to Italy's new foreign policy.

With the partition of Poland, Hungary, which since March 1938 has had a common frontier with the Reich, has seen Russia come to the foot of the Carpathians. Hungary has taken pains to reestablish normal diplomatic relations with Moscow and she has also accelerated her agrarian reforms as insurance against the danger of National Socialism and Communism both at home and from abroad. This new situation has modified Hungary's position in regard to the Axis. Hungarian revisionists have realized their hopes by regaining the territories Hungary had lost to Czecho-Slovakia. After that, they were ready to march on the southeast, toward Transylvania. But things have become complicated. Budapest has profited greatly by the Russian-German agreement, which signified the end of German schemes for an autonomous Ukraine. The territory that threatened to turn into a 'Ukrainian Piedmont' again became a mere Hungarian province. On the other hand, the German hold on Slovakia grew. Now that Hungary must worry about her two powerful and restless neighbors, the problem of Transylvania has receded. Under present circumstances, Hungarian claims on Rumania could never be satisfied even if the Hungarian revisionists were ready to pay the same price as the Slovakian separatists: that of Hungarian independence.

Today, Hungary is psychologically prepared for a policy totally independent from that of the Axis, and this independent policy is actually being advised by one of the partners of the Axis: Italy. We may even go as far as to say that such a policy would be impossible without Italy's coöperation. That such coöperation is forth-

coming has been made obvious by the manifestations of Italo-Hungarian friendship that had recently taken place.

Once upon a time Italy was interested in Hungary because the two countries had in common their hostility to the Little Entente. Today, nothing remains of the Prague-Bucharest-Belgrade triangle. But the crumbling of the Little Entente had proved advantageous only to the Reich, and among all the European Powers, it is Italy who had lost the most by its collapse. The Italian policy in Central Europe had one inherent weakness: the fact that it was inspired by hostility toward France. That factor had brought about its failure and enabled Germany to be the one to gather in all the profits. Italy is today more resolved than ever to defend the remains of its former sphere of influence. In an article entitled 'Rome's Frontier on the Danube' a Budapest paper, the *Magyar Nemzet*, recently developed the idea that Italy's main purpose is to prevent the Balkans from falling under the influence of some great Power. This explains, above all, Italy's friendship with Hungary, which in Italy's estimation had ever been a bastion protecting Trieste and the Adriatic.

IT IS well known that Rome has made efforts to push rapprochement between Hungary and Yugoslavia. These two countries have concluded, after prolonged negotiations, an arrangement according to the terms of which the present frontiers are to be maintained; it envisages, besides, the conclusion of a convention dealing with the status of minorities and a non-aggression pact. The only re-

strictive clause in this agreement is that it should be signed only after the conclusion of a similar agreement between Hungary and Rumania. Attempts at a Hungarian-Yugoslavian rapprochement are not a recent matter, and Italy has always approved of them. But in the past these attempts had been made with the idea of breaking up the Little Entente and isolating Yugoslavia. Poland had, alas, worked in the past with the same purpose in mind, profiting by her excellent relationship with Budapest. Besides, since the Little Entente held in check Hungarian revisionist claims, the Hungarian-Yugoslavian agreement of pre-Munich days would have merely resulted in deflecting Hungarian ambitions toward Czecho-Slovakia and then Rumania. Today, with Rome favoring a Hungarian-Yugoslavian and a Hungarian-Rumanian rapprochement, the situation is considerably changed. Italian policy is no longer directed against Bucharest, and the purpose of any agreement signed in the Danubian region must be to unite Belgrade and Bucharest with a view to safeguarding the now existing frontiers in the Balkans.

During the last few years, Italian-Rumanian relations have been growing steadily worse, since Rumania was part of at least two groups for which Fascist Italy had no use: namely, the Little Entente and the Balkan Entente. The present situation may dictate another line of action to Mussolini. Doubtless, Italy wishes to keep Rumania safely in the bloc of neutral nations which are staying out of the present war. Even the recent dissolution of the Cabinet headed by pro-Italian Argetoianu did not change matters. For Italy's policy, although

it aims at weakening the ties between Rumania and the Allies, is not without danger to Germany and the U.S.S.R. England and France do not menace the territorial integrity and independence of any Balkan country. The only possible threat in that direction comes from Germany and the U.S.S.R.; any policy which really promises to retain the *status quo* in the Balkans, or at least, to protect the Balkans from the hegemony of any one great Power is bound to coincide with the Franco-British aims.

The Italian press may make sarcastic comments on the value of the guarantees given to Rumania by Britain and France. Certainly such a guarantee will in itself not suffice to protect Rumania against attack. The only solution is in the enforcement of such a guarantee, rendered more efficacious by Italian coöperation. Italian policy in the Balkans is doomed to failure without French and British coöperation, and on the other hand, no consolidation of the Balkans' present status is possible without Italy.

The conclusion of the Anglo-French agreement with Turkey might have been expected to get a very bad press in Italy. It did not. Here, too, Italy's attitude had changed for the same reasons as apply to Belgrade, Budapest and Bucharest. Between 1928 and 1931, Rome had favored a Greco-Turkish rapprochement, and Mussolini had personally contributed to friendly relations between the two countries. But this policy had the same underlying weakness as that inherent in Italy's attitude toward the Little Entente. The idyll did not last long. In 1930, Italy had suddenly voiced to the world her intention to

become a political center of the area extending through all Southeastern Europe, from Hungary to Turkey, through Albania, Rumania, Bulgaria and Greece. After the expression of such ambitions, the relations between Rome, Athens and Ankara had cooled considerably. The invasion of Albania, the Dodecanese question and the memories of Italian ambitions in Asia Minor had multiplied mistrusts and misunderstandings. But this antagonism is gone. Italy has gone out of her way to reassure Greece about her intentions. Her friendliness to Athens in other days would have been construed as a maneuver directed

against Turkey and the Western democracies.

Now, however, that the factors in the Balkan equation have been changed, this is no longer true. It is felt that 'The true danger for Turkey is the same as for the rest of Europe: Bolshevist Russia. We both want security in Eastern Mediterranean. That is why it is of advantage to Turkey to have an understanding with Italy.' This also sums up the way Italy feels about the independence of the Balkans. It is a basis on which a Turko-Italian agreement may well be built and yet not be in contradiction with the Ankara-London-Paris pact.

A lawyer warns that crack-pot thinking in the Golden State may ease the way for reckless demagogues

California Faces Totalitarianism

By WALTER C. FRAME

TOTALITARIANISM will not come to America with the posturing of a Fritz Kuhn. Besides, that gentleman's sins have caught up with him. The idea of a totalitarian State will be sold to the United States upon local issues and local causes. It was not the brown shirt and the Swastika that sold Nazism to Germany. It was the desire to live again in that particular place in the sun most appealing to the German mind—the desire to play Siegfried and kill dragons to the full brass of Wagner. Hitler could never have risen had there not existed a potent yeast in the German character. Totalitarianism is a symptom, not a disease.

American totalitarianism is arising upon a different swell, but like Fascism abroad the cause is purely domestic. It is not recognized because it has not yet coalesced; but the yeast is working, and the political absurdity of today may be the tragic reality of tomorrow.

The focus of this infection lies in California where, since the time of Henry George, climate and social conditions have contrived to produce strange genii from black bottles. It is no more strange that the Townsend Plan and Thirty Dollars Every Thursday should develop from Los Angeles than that Mormonism and the Millerites, and a thousand other sects, should have arisen from the barren areas of New York City in the last century.

Culturally and economically, Southern California is the barren area of our time. In this miasmic swamp of sentiment, any proposal may be regarded as practical. Whether this advocacy of the impossible is an effect of nearby Hollywood, a result of the very real economic distress of the people, or a combination of both, cannot be analyzed here. But upon that coastal plain alone, the voice of Senator Sheridan T. Downey is a voice from Sinai; and any scheme that promises bread and circuses without