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MR 203 (12) Sec. 2 - "O.S.S. Numbered Bulletins"

June thru August, 1943

MR 203 (12) Sec. 2 - "O.S.S. Numbered Bulletins"

(JUNE, JULY, AUGUST, 1943)

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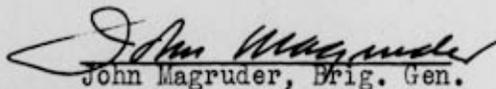
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

30 August 1948

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 56

Submitted herewith are some additional
items received from our secret sources abroad.

Unless otherwise indicated, the items of
information submitted herewith are reports just as
received from agents and have not been evaluated as
to degree of reliability other than as stated.


John Magruder, Brig. Gen.

Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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Italy: Badoglio Striving for Delay; Decisive Action Recommended

The following information, rated B-3, has been transmitted by the OSS representative in Bern:

The Italian situation has made a prisoner of Badoglio -- not entirely against his wishes. Badoglio has hypnotized part of the opposition by convincing them that Fascism has been undone, and by giving them a few posts. Positions in the official Workmen's Confederation have been given to Robeda, the Communist, and to Buozzi, the Socialist. However, some oppositionists have also been arrested, though none of the big Fascist profiteers have been molested.

Badoglio counts on delay operating in his favor and even on the war's swerving around Italy and is relying as delaying factors on the German threat to use gas, etc., and on the German claims that Russian-German talks may soon bear fruit when the East front is stabilized. Badoglio claims that all attempts to make contact with the Anglo-Saxons have been futile, and has assigned envoys to various places as a smoke screen for further delaying action. Meanwhile he is regrouping the old forces which functioned under Fascism.

In spite of the foregoing, it is believed that if Badoglio is sure that we mean business, we can, with bold action, win him over. Germany, it is believed, has only slightly more than 12 divisions in Italy and even these forces are not so strong as generally pictured, since three or four of these divisions have been stationed in Italy for some time and are infiltrated with defeatism and corruption. It is believed that concerted action on our part with some help from the Government to prevent the use of strategic railways, gasoline stores, etc., plus the same kind of action by parties of oppositionists, could make the German position untenable except in the immediate vicinity of the Brenner.

If stern pressure is applied to Badoglio to convince him that Italy will become an immediate theater for military operations and that this cannot be escaped as a result of an Allied landing in France or by some accident in Russia, it is believed that his Government will go along with the U.S. It is thought that Badoglio fundamentally wants to find his way out on our side if mere delay will not enable him to win.

(OSS Official Dispatch, Bern)

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By Authority of

CIA 006687

By SR. Date APR 3 1975

SECRET

Italy: Badoglio's Emissaries

As a part of his delaying game, Badoglio has sent special envoys abroad, such as the Marchese Lanza d'Ajeta, chief of cabinet in the Foreign Office under Bastianini, who has gone to Lisbon. Berio, also of the Foreign Office and an old member of Ciano's "gang," has been sent to Tangier. Unverified press reports say that Grandi has been sent to Madrid. There have also been some talks between Badoglio's emissaries and Osborne, the Irish minister to the Vatican.

(OSS Official Dispatch, Bern, rated B-3)

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CIA 006687

By SR Date APR 3 1975

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Political Discontent in Portugal

The following information (rated B-3) is transmitted by the OSS representative in Lisbon:

Although Portuguese newspapers (strictly controlled by military censorship) still indicate a slight pro-Axis state of opinion, scarcity of consumers goods and the high cost of living have contributed much toward a general countrywide discontent. All classes now openly criticize Salazar and his government. The sudden fall of Mussolini produced strikes in Lisbon and other places, and the situation has not yet returned to normal.

(OSS Official Dispatch, Lisbon)

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By Authority of _____

CIA 006687
By SR Date APR 3 1975

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Himmler's New Appointment Assessed

According to a dispatch from the OSS representative in Bern, rated A-2, it is not necessarily to be assumed that control by the Nazi Party will be strengthened through Himmler's assumption of the Ministry of the Interior. Over some period there have been indications that military and conservative circles might use Himmler as a bridge, for they feel they can do little without recourse to SS machinery. His appointment is doubtless related to the need for stern measures in home-front control as a result of unfavorable war news and the bombings. Himmler's appointment might be compared to the choice some time back of Scorza by Mussolini.

According to latest reports Mussolini is now on the island of Maddalena just off the north-eastern tip of Sardinia.

(OSS Official Dispatch, Bern)

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By Authority of _____

By CIA 006687
Date APR 3 1975

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Germany: Miscellaneous Notes

The following information, believed reliable, was transmitted by the OSS representative in Bern:

1. The German Consulate at Laurencio Marques, sends important information on Allied shipping to Germany via Lisbon. The same Consulate also infiltrates Boer spies drawn from the Malan group into South Africa.
2. German and Japanese submarines have a rendezvous east of the Cape of Good Hope, presumably for exchanging intelligence and cargoes of essential materials.
3. German gold for Ramirez, to the amount of 2,000,000 marks, was recently shipped to German Charge d'affaires Meynen in Buenos Aires for use as bribe money.
4. Spanish negotiations for German armaments, now in process, will probably result in very good terms for Spain because of Germany's vital need for Spanish tungsten.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

25 August 1943

MRB

55

TO: Col. Chester Hammond, White House Map Room
FROM: Col. J. R. Forgan, G. S. C.
SUBJECT: Reports Received in Office of Strategic
Services, No. 55

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

J. R. Forgan
~~Col. J. R. Forgan, G.S.C.~~
Acting Deputy Director --
OSS, Intelligence Service

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Germany: Congestion in Baltic Seaports

According to the report of the captain of a Swedish vessel, the complete destruction of the Hamburg harbor area has forced the Germans to direct all ships to other ports, especially Stettin and Bremen. So great is the congestion in German seaports that many ships are held up for several days in the Kiel canal. Waiting time compensation has been available for such cases since May.

Seamen are amazed that the Allies have not effectively bombed the canal. It is reported that all traffic destined for seaports in the Baltic, Finland, and Norway, as well as the vessels bringing iron ore from Sweden use the canal. Traffic to ports in northern Germany and Holland could be disrupted if the canal locks at Holtenau or Brunsbuettel were to be destroyed. This could compel the Germans to reroute ships to ports in the Baltic, or, by forcing vessels to sail through the Skagerrak, expose them to air attack.

According to seamen recently in Bremen and Nordenham, approximately 40 ships were anchored at Bremerhaven, a week ago (ca. 12 August) awaiting entry. This is explained by a great labor shortage at Nordenham, whence many workers were transferred to clear up the wreckage at Hamburg. Crews of ships are compelled to load cargo at the rate of one mark per hour.

Delfzijl, at the mouth of the Ems, and not Rotterdam, is now the important harbor (of Holland). Oil shipments are now sent there, and unloading cranes have been moved thence from Rotterdam.

(OSS Official Dispatch, Stockholm, rated A-3)

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By Authority of _____

CIA 006687

By SK Date APR 3 1975

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Report on the Toulon Fleet

The following is the latest information, rated ~~B-2~~ available to OSS on the condition of the Vichy fleet at Toulon, as of the first week in August.

1. The following vessels are beyond salvage: Marseillaise, light cruiser; Verdun, Vauquelin, Casque and Tartu, destroyers; Aude and Golo, transport-supply ships.

2. The following vessels are being scrapped: Dupleix, Colbert, and Algerie, heavy cruisers; and Volta, destroyer (being refloated).

3. The following vessels have been completely repaired: Strasbourg, battleship; Foch, heavy cruiser*; Jean de Vienne, light cruiser; Commandant Teste, seaplane carrier; Curieuse and Impetueuse, minesweepers; and Le Gladiateur, netlayer.

4. The location of the battleship Dunkerque is unknown.

5. There are also 9 submarines reported to have finished their sea tests.

6. French workers at Toulon are slowing down and causing much sabotage.

* A B-2 report states that the Foch is being reconstructed as an airplane carrier.

(OSS Official Dispatch, Madrid)

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By Authority of _____

CIA 006687

By SR Date APR 5 1975

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Rumors of Plots in Germany

The OSS representative in Bern transmits the following reports, rated B-3:

1. High German postal authorities, including the Director of the Reich Printing Office, the Director of the Post Office, a Doctor Heiderbeck and a Doctor Wittman, have been participating in a plot just discovered in Berlin.

2. Himmler, at a recent visit to Manstein's headquarters POLTAVA, proposed that the latter supported by the SS, should take over if Hitler should be obliged to retire because of ill health. Manstein is said to have declined.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Badoglio's Policy

According to a secret but unconfirmed report from Rome, transmitted by the OSS representative in Bern and rated B-O, Badoglio is quoted as saying to his cabinet that relief for Italy was not far off, since he expected the Allies to invade France in the near future. He also declared that an Italian campaign which would simply stop at the Alps is of no interest to the Allies.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687
By JR Date APR 3 1975

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

19 August 1943

TO: Col. Chester Hammond, White House Map Room

FROM: Col. J. R. Forgan, G.S.C.

SUBJECT: Reports Received in Office of Strategic
Services, No. 53

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

J.R. Forgan
Col. J. R. Forgan, G.S.C.
Acting Deputy Director --
OSS, Intelligence Service

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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France: Opinions Among Resistance Groups

The following report, transmitted by the OSS representative in Bern, comes from a reliable source:

De Gaulle's prestige has risen to an extraordinary degree in recent months. He is backed by a strong popular current which favors a democratic France with pronounced Socialist leanings.

The French resistance movements find America's attitude to the Committee of National Liberation incomprehensible. This attitude is leading to a strengthening of pro-Russian sentiment among the French.

The resistance movements believe that ultimately it will be necessary to change the nature of the Committee of Liberation because it is insufficiently representative of the "heart" of France. This, however, is not of immediate concern.

(OSS Official Dispatch, Bern, rated, B-3)

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CIA 006687

By SR Date APR 3 1975

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Italy: Plans for German Occupation

The following information, transmitted by the OSS representative in Stockholm, is rated reliable:

1. Because of heavy fortifications installed by the Germans at Brenner Pass, informant believes that the Germans are moving into northern Italy. The Italians expect that the important industries in this region will be taken over by the German troops who move in. (B-3)

2. All industries of importance in Lombardy, Trentino, and Bolzano have already been seized by the Germans. They have asked the Italian workers to remain. Since many of them in these regions are of German extraction, they will probably accede to the German request. (B-3)

3. The informant believes that Badoglio is transferring Italian industrial labor from northern to central Italy, in view of the expected German occupation, and because the laborers are complaining of inadequate air-raid defense. (B-3)

4. According to a letter received by the informant, all German women and children have been evacuated from Italy. (B-2)

(OSS Official Dispatch, Stockholm)

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CIA 006687 APR 3 1975

By SR Date _____

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Japanese Views of the German Position

The following report, transmitted by the OSS representative in Bern, comes from a source claiming to be well-informed and highly-placed.

According to the source, the Japanese believe the Nazi military situation hopeless. Their efforts to effect a Russo-German agreement having failed, the Japanese are turning their energies to improving their own relations with the Soviets. To this end they are furnishing the Russians tin, rubber, and other strategic materials. The ultimate Japanese objective is an entente embracing themselves, the Soviet Union, and Nanking-controlled China. The source further states that German generals recently asked Oshima, Japanese Ambassador in Berlin, to place before Hitler certain opinions which they did not have the audacity to present themselves.

(OSS Official Dispatch, Bern, rated B-0)

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CIA 006687

By SR Date APR 3 1975

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German Plans in Northern Italy

The following information, transmitted by the OSS representative in Bern, is rated B-3:

According to reports, General Dietl commands the German troops in northern Italy with headquarters at Tarvisio. Two army groups are under him. The western group commanded by General Hollidt has headquarters at Padua and will defend the Brenner quadrilateral. The other group, commanded by General Blaskowitz, is located in Istria and Carinthia, from Klagenfurt and Villach to Fiume and Trieste.

Two mobile reserve armies are also reported in course of formation, one in the Vienna area, the other in the region of Lake Constance.

According to the source the above report indicates that the Germans intend a delaying action, not a decisive battle in northern Italy.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006657

By SR Date APR 3 1975

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German Fears in France

The following information comes from OSS official dispatches from Bern:

Platforms of concrete for long range guns are being built at Sete on the south France coast. (A-3)

The city of Paris is beginning to take on the atmosphere of a fort; it is patrolled day and night, and the thoroughfares leading to the main entrances of the city have been studded with concrete obstructions. (B-3)

A reliable source from Paris states that the Germans have demanded indemnity for occupation of 700,000,000 francs per day, but have received no reply from Vichy. Petain is said to refuse to sign decrees submitted to him by Laval, and leaves the city if Laval becomes persistent. (B-3)

(OSS Official Dispatch, Bern)

DECLASSIFIED

By Authority of _____

By CIA 006687 Date APR 3 1975
By SR Date _____

Regraded Unclassified

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Italian Troops in the Balkans

OSS official dispatches from Bern give the report, rated B-3, that four divisions of Italian troops were able to get out of Albania, leaving behind them a quantity of arms and supplies for the patriots who helped them escape. Patriots also assisted two other divisions to reach Albania from Yugoslavia. (The idea of cleaning up the Yugoslav patriots has been abandoned by the German High Command for the time being.) During the first week in August a contingent of about 35,000 Italian troops arrived in Italy from Yugoslavia; they turned over to the Germans all their reserve ammunition and heavy material.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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France: Troop Dispositions and Movements

The following information has been received in OSS official dispatches from Bern:

All current troop movements in France were stopped on 27 July. The Germans ordered two large movements: one from the west to Germany (perhaps on to Russia), the other from the north toward south France and Italy. (B-3)

Thirty or forty trainloads of Germans and Italians each day around the end of July left the region of Salon, near Marseille, going to Italy by way of Ventimiglia. (A-3)

It is reported that the Italians have been ordered to evacuate Grenoble, Chambéry and Annecy. German headquarters have decided that all heavy material must be left behind by Italian troops evacuating France. However, Italian troops with their equipment have been leaving Savoie by way of Modane since August 6. (A-3)

On 28 July a division of parachute troops and 10,000 German soldiers arrived at Istres. One German division has arrived at Grenoble to replace the Italians. (A-3) Two divisions have arrived at Toulon and are occupying an area up to the Italian frontier. (B-3)

(A Madrid report rated A-2 states that the Nazis have taken the places vacated by Italian troops along the Riviera and are swarming into Italy through the Riviera.)

(OSS Official Dispatches, Bern and Madrid)

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By Authority of _____

CIA 006687
By SR Date APR 3 1975

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

17 August 1943

TO: Col. Chester Hammond, White House Map Room

FROM: James A. Montgomery, Jr.

SUBJECT: Reports Received in Office of Strategic
Services, No. 52

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

James A. Montgomery Jr.
James A. Montgomery, Jr.
Acting Deputy Director --
OSS, Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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German Army Coup?

An OSS official dispatch from Bern, rated B-3, doubts the truth of the reported anti-Hitler coup by a military triumvirate, especially since Goering is in partial eclipse and Keitel is unimportant. However, very good sources believe that strengthening of military control over Germany in opposition to the Nazi Party is probable in the very near future. Rommel, the only publicized and popular general, is a likely candidate in a genuine military coup. Men like Sauckel, Ley, Funk, and Ribbentrop would disappear in such an event, but the military element would probably not suddenly dispose of either Himmler or Hitler. Hitler, who is thought to have small influence on military affairs now, might well be kept as Fuehrer with little actual power. The liquidation of the Nazi Party would be far more difficult than that of the Fascist Party, but it is quite possible that the army can clip the Party's wings and eventually get into power.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Italy: Badoglio's Position vis-a-vis the Germans;
Additional Data on Mussolini's Overthrow

The following report is transmitted by the
OSS representative in Bern:

1. Badoglio's supporters, in explaining his cautious attitude, stress that Italy's lack of material, and German reenforcements have placed him at the mercy of the Nazis. They point out that the transfer of a German division to Viterbo constitutes a direct threat to Rome, and they point out that there are 14 German divisions now in Italy, including the division and a half in Sicily. Moreover, there are 7 or 8 more divisions massed in the Innsbruck region ready to cross into Italy. The Germans even allege that, if necessary, they could send 20 out of the 60 or 70 divisions they have in France, (reliable estimates place German forces in France at not more than 45 divisions) as well as 1000 planes out of the 4000 allegedly available. (B-0)

When Guariglia and Ribbentrop met at Tarvisio, the latter began in an abusive tone, stating that the Germans would insist upon Italy's fulfilling Mussolini's commitments. Farinacci was smuggled out of Italy by the Germans, and is held in readiness to revive Fascism in any part of Italy which might be occupied by the Germans. (B-2)

Against this German pressure, the Badoglio government attempted to organize an army corps south of Rome in order to forestall its occupation. But successful resistance by Badoglio is deemed impossible without Allied support. If this is given, the Germans would withdraw to a line Genoa-Rimini. (B-3)

The informant stated that the Germans were undoubtedly bluffing, and were well aware that they could not hold any great part of the peninsula. Indeed, if the Italians overcame their lethargy, and organized themselves for sabotage and cutting communications, they could compel the Germans to limit their occupation to the Venice-Brenner triangle. (B-2)

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By SR Date APR 3 1975

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Our last raid on Naples, according to the informant, was rather indiscriminate, and he suggested that during the next few days we endeavor to limit our bombings to military objectives outside thickly populated zones. Otherwise we risked upheavals against the Badoglio government and premature intervention by the Germans. (B-2)

2. The Duke of Acquarone, a highly placed member of the King's entourage, was the moving figure behind Mussolini's overthrow. It was he who negotiated between the right wing Fascists and the King, and who arranged to convene the Grand Council so as to provide the King (who was worried about his constitutional duties) with a constitutional basis for the overthrow. Mussolini tried to have the men who had been against him when the Grand Council convened arrested, but failed because the Navy continuously transferred them from place to place. After his last meeting with the King when he was dismissed, Mussolini apparently collapsed physically. His whereabouts are not known as yet. (B-0)

(OSS Official Dispatch, Bern)

DECLASSIFIED

By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Axis: Military Information

The following military information was supplied in an OSS official dispatch from Bern, rated B-3:

Over 2,500 persons are estimated to have lost their lives in the Italian revolution, half being Fascists and the rest revolutionary workers and people accidentally involved in violence. Trouble between Italian and German troops broke out at Spinazzola and Bari on August 1. The Germans viewed the interruption of Italian rail traffic near Villach on August 1 as an attempt to keep Germany from reinforcing her troops in northern Italy. Orders to prepare immediately for the retirement of German troops from Sardinia were given on August 2, but non-cooperation of the Italian fleet and people make this operation difficult.

The French Government has been authorized to organize six more regiments, bringing the total to nine. One was fully organized on July 20 and a second is nearly activated. They will be placed at the disposal of Rundstedt.

Some 75,000 homes were destroyed in Hamburg, leaving 350,000 persons homeless. 150,000 people left the city in a mass evacuation. The marine construction works of Cuxhaven, Emden, and Wilhelmshaven having been moved to Hamburg for a greater concentration of anti-aircraft protection, the backbone of German U-boat production and German shipping has been broken by the Hamburg demolition. U-boats, torpedo boats, coastal patrol craft, and transports were all built at Hamburg.

Work on strategic fortifications and landing fields in the area of the Dnieper has stopped since July 10, and Todt personnel have been detailed to the front areas near Vitebsk, Smolensk, Bryansk and Kharkov. This indicates the German High Command's belief that organized retirement in Russia is no longer practical and that a Russian break through the present lines would mean a complete breakdown in the east.

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(OSS Official Dispatch, Bern)

CIA 006687

By SR Date APR 3 1975

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Germans Take Troops from Occupied Scandinavia

The following details on German troop withdrawals from occupied Scandinavia are transmitted by the OSS representative in Stockholm and rated B-3:

The 71st German division left Denmark in 51 trains. Two shiploads of troops reached Denmark from Norway a few days ago. These estimated 2,800 soldiers left at once by train and were carried southward. Danish sources do not think troops from the south will be used to replace these withdrawals. If any are used, they will probably be brought from Norway.

In Norway, men now in the veterinary and sanitary services are being transferred to the infantry for training in that branch. They will replace more experienced troops scheduled to move to other fronts. German police detachments used as civil guards are also being withdrawn. Native Norwegians will replace them as guards at railway junctions, shipyards, and quays.

Swedish newspaper reports of German demands that the Danish government completely surrender jurisdiction in sabotage cases have been confirmed. Under the demanded arrangement, saboteurs caught in Denmark were to be brought before local German tribunals and, if convicted, sent to Germany to serve their sentences. The Danish government unanimously rejected this demand on 9 August.

(OSS Official Dispatch, Stockholm)

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By Authority of _____

CIA 006687

By SR

Date

APR 3 1975

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Germany: Conditions and Morale

Kivimaki confirms reports that government personnel and offices are being transferred from Berlin but lacks information as to which are being transferred or where. For the present the Foreign Office is remaining in the capital. Confusion results from conflicts in evacuation and friction between the SS and the Party.

The prevailing general opinion among German forces in Norway is that gas warfare will soon be launched.

A Swedish seaman, recently in Hamburg, estimates that some seventy submarines have been destroyed by air raids. He reports that public utility services ceased to function after the bombings. The city is in ruins, the people have lost all spirit and no longer believe victory possible.

A Swedish sea captain reports that 15 large vessels, unable to discharge their cargoes in bombed Hamburg, arrived in Stettin during the past week. All bomb damage at Stettin has been repaired and the quays are in good shape, but the evacuation of the city is scheduled.

(OSS Official Dispatch, Stockholm, rated B-3)

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APR 3 1975

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France: German Troop Movements

The following report, transmitted by the OSS representative in Bern, is rated B-3:

Over the approximate period 14 July - 14 August about 10 divisions of German troops have been transported from Northern France and Brittany via Paris, the Riviera, and Modane. They are to replace Italian troops in the Italian zone of occupation. The overall effect of the change, despite some replacements, is to leave the Atlantic and Channel coasts with less defenses than at any time since Stalingrad.

There is some confirmation of these movements from other sources.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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The Greek Underground and the King

In December 1942 the leaders of the underground United Front in Greece announced their intention of sending George Exindaris abroad, to submit to the Allies the underground opposition to the return of the King. Exindaris has now arrived in Cairo, as have also (and independently) four members of the Central Committee of the (Communist) EAM (National Liberation Front). All are in complete agreement that it would be politically inexpedient and personally dangerous for the King to return to Greece prior to the elections.

There is some hope that an agreement may result from the negotiations now being carried on among the King, Prime Minister Tsouderos, Exindaris, and the EAM representatives.

(Exindaris is a Thracian, born in 1890, who, after studies in Constantinople and Paris, entered the Greek Foreign Office in 1915 and presently became Director of its Press Bureau. He was elected a Deputy from Thrace in 1920, 1923, and 1926, and was appointed Minister of Agriculture in 1928. His record suggests a mild liberalism).

(OSS Official Dispatch, Cairo, rated reliable)

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CIA 006687

By SR Date APR 3 1975

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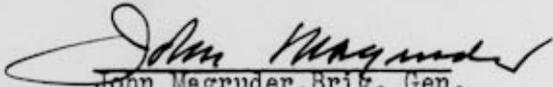
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

14 August 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 51

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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Axis: Military Information

The following reports were transmitted by the OSS representative in Bern from reliable sources:

1. 200-250 trains, carrying men and equipment, passed through Avignon between 27-29 July. It is believed that one motorized division was among these forces, and a large number of 77 mm. guns were observed. (A-1)

2. In the region of Nimes-Avignon-Pujaut there is one first-rate parachute division, as well as other parachute troops in process of training; 80-100 transport planes were taking troops from this area to central Italy between 26-29 July. Air activity in this region and in Montelimar and Orange includes a concentration of DO-17's and JU-52's making trips to and from Italy during the period 18-25 July. (A-1)

3. There has been little traffic through the Sunplon (5 trains on 3 August in both directions, 9 trains on 2 August). Consignments south amounted to only 12 percent of the May traffic. There is a good deal more movement via the St. Gothard. Until 4 August it was normal, with 30 coal trains and 2 trainloads of Italian laborers going south daily. On 5 August, however, only empty cars travelled north and only 4 coal trains headed south. (A-3)

4. Nine units of the Italian navy, including one battleship, have been reported at Ville-franche and Mentone. According to the report of a fairly reliable source, the Germans are demanding that Badoglio surrender the Italian fleet. (A-0)

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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The New Yugoslav Government-in-exile

According to information received by OSS London, King Peter, after the continued failure of the Trifunovich cabinet to reach an agreement on a statement of post-war policy, specifically requested Purich to nominate a new non-political cabinet. R and A analysts therefore believe that the appointment of Purich is tantamount to declaring a moratorium on burning political questions, such as the issue of a post-war Greater Serbia vs. a Federated Yugoslavia. The London source suggests that King Peter may be using this cabinet crisis as an expedient to force all factions into ultimate agreement and to settle (in accordance with British wishes) the immediate issue of moving the seat of government to Cairo.

Besides General Mihailovich (the only hold-over from previous Cabinets), the new cabinet includes:

1. Purich, Dr. Bozhidar. Premier, Minister of Foreign Affairs, and Representative of the Minister of War (Draza Mihailovich), a Serb, formerly Yugoslav Consul at San Francisco and Chicago, and Minister to France. During the last war, Purich was Serbian delegate to Russia to negotiate with the Bolsheviks regarding Serbian troops at that time in Russia, and in the period between wars he was active in the League of Nations.

2. Mirosevich, Dr. Sorgo. Minister of Social Welfare, Public Works, Health and Justice. Formerly Yugoslav Minister to the Vatican, Mirosevich is a Croat with such strong Yugoslav views, that the Croat nationalists call him a Serb.

3. Milichevich, Vladeta. Minister of the Interior, and of Posts and Telegraphs. A Serb, former Assistant to the Minister of Interior. Long active in minor ministerial capacities, he accompanied King Peter on his visit to the United States.

4. Rashich, Svetozar. Minister of Agriculture, Supply and Food, and Education. A Serb, formerly Yugoslav Minister to Budapest, he has been actively concerned in London with planning the post-war reconstruction and rehabilitation of Yugoslavia.

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By Authority of _____

CIA 006687

SR APR 3 1975

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5. Martinovich, Dr. Milan. Minister of Finance, Commerce and Industry. A Croat. One of the five or six high-ranking Croat Peasant Party leaders now in exile, and therefore the only member of the Cabinet who has definite party affiliation. "Greater Serbs" suspect him.

6. Kern, Comdr. Ivan. A Slovene and an officer in the Yugoslav Navy, to be Minister of Communications, Forests, and Mines.

(OSS Official Dispatch, London, R & A Branch, Balkan Section, Special Report, August 12, 1943)

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CIA 006687

By SR Date APR 3 1975

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Italy: Badoglio Receives Opposition Representatives

According to a Bern dispatch, rated B-3, Badoglio received representatives of 5 opposition parties on 3 August. He was handed a joint statement demanding that he seek an armistice at all costs. Badoglio hinted that he was in touch with the United Nations, and explained his procrastination as being the result of fear of the Germans. He claimed that the unexpectedness of the coup had left him unprepared to deal with the critical situation.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

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France: Troop Movement in the Haute Savoie

A Bern dispatch, rated B-2, states that as of 10 August Italian troops and customs guards were still in Haute Savoie. However, German troops made up of young men from the East who had served on the Russian front, are reaching Annecy, Chambéry, and Aix-les-Bains. These belonged to two divisions previously stationed at L'Orient and Quimper.

(OSS Official Dispatch, Bern)

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By SR date APR 3 1975

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Spain: Franco Plans a Military Junta?

According to a B-3 report, transmitted by the OSS representative at Tangier, Orgaz will presently proceed to Spain to accept the rank of Captain General. He will become a member of the military junta which Franco has decided will be more satisfactory than a restoration of the monarchy.

(OSS Official Dispatch, Tangier)

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By SR Date APR 3 1975

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

12 August 1943

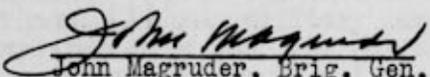
TO: Col. Chester Hammond, White House Map Room

FROM: John Magruder, Brig. Gen.

SUBJECT: Reports Received in Office of Strategic
Services, No. 50

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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Rumania: Report on the Ploesti Raid

The following information was furnished by a Rumanian who is considered a highly competent observer. He left Bucharest on August 1 and passed by Ploesti on August 4; his train was the first to pass through the wrecked area.

The entire fire of the seven pieces of flak installed at Ploesti was drawn by a few raiders which passed over at a high altitude. The main force then swung around a small hill of 300 meters to the northeast. As they swept in they skimmed the tree tops on the town's main thoroughfare, waved to the populace, and dropped their bombs squarely on the refinery of the Creditul Minier, Unirea, Steaua Romana (which on Wednesday was still smoking) and Astra Romana (Shell) were among the refineries destroyed. The fires were still visible from Bucharest (about thirty-five miles away) on Tuesday.

All of the bombs which were aimed at Giurgiu, where the pipe lines meet the Danube, fell into the river.

Approximately 60 airmen were made prisoners of war.

The raid had an excellent psychological effect for the following reasons: (1) It was made on Sunday to avoid hitting workmen; (2) only military targets were bombed; (3) completeness of the job; (4) waving by the pilots; (5) the equipment of the 60 prisoners was very impressive as it consisted of supplies of Balkan money of all sorts; a sufficient store of Camel cigarettes; letters in Rumanian which stated that the airmen were Americans and not Russians; and silk scarves which, when held up to the light, showed a map of the Balkans.

(OSS Official Dispatch, Bern, rated A-3)

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CIA 006687

By SR Date APR 3 1975

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Sweden: Mobilization is virtually complete

The OSS representative in Stockholm secured the following information from a source he believes reliable:

Before the end of this week, the Swedish Air Force of 800-1000 planes will be completely mobilized. Approximately 500 of these planes are fighters, 270 are bombers, the remainder reconnaissance planes. The Navy is practically 100 percent mobilized, while in the Army at least 300,000 men will have been mobilized by the end of the week. The coast artillery is 80 percent mobilized, the remaining personnel being engaged in agricultural work near their stations. They can be recalled in 6 hours. All open spaces potentially useful for landing places for hostile planes or parachute troops have anti-aircraft defenses.

(OSS Official Dispatch, Stockholm)

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CIA 006687

By SR Date APR 3 1975

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Germany: Order of Battle in the Balkans

The OSS representative in Stockholm sends the following report secured from a reliable source:

As of August 1 there were 18 or 19 German divisions stationed as follows:

Bulgaria -- 4 infantry divisions.

Greece and the islands -- 7 infantry divisions, and one armored division.

Croatia -- 3 infantry divisions.

In addition there are 17 divisions of Italians and 20 divisions of Bulgarians.

(OSS Official Dispatch, Stockholm)

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CIA 006687

By SR APR 3 1975

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Germany: Suggestion for Psychological Warfare

Nazi propagandists are stiffening popular resistance by the argument that the German people will lose all their liberties if they lose the war. Authentic data on the steps by which local self-government is progressively being restored in Sicily would constitute the most effective counter propaganda. A PW program kept up on these lines would be both honest and of immense effectiveness, in the estimation of OSS leaders.

(OSS Official Dispatch, London)

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CIA 006687

By SR Date APR 3 1975

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Badoglio's Opposition Feels Duped

The OSS representative in Bern cables the following report from a source rated as B-2:

Badoglio has been trying to calm the opposition parties by assuring them that he was negotiating for peace with the United Nations. The opposition now feels it has been duped, that Badoglio is playing into German hands by inaction, and that active work for peace by means of revolution is the only way.

The Nazis have taken over airports in North and Central Italy as well as sending a considerable number of reinforcements into North Italy. Pressure is being maintained on Rome by a Nazi armored force moved from near Leghorn to Viterbo (some 50 miles from Rome). The only Italian armored division in Italy, stationed in Umbria, is a former Blackshirt Division still manned by officers who were friendly to the Fascists.

The Nazis have seized control of the large Adriatica power plants not far south of the Brenner Pass. Undoubtedly they have also strengthened their position in the Pola-Trieste region, though there is nothing to substantiate stories of formal occupation.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

11 August 1948

WAZ

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 49

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

John Magruder
John Magruder, Brig. Gen.

Deputy Director, OSS -- Intelligence Service

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Evidence of Tension among the Satellites

The following information rated reliable, was transmitted by the OSS representative in Bern:

I. Bulgaria

It is reported that Queen Johanna, possibly accompanied by Boris, is leaving this week for a "family visit" in Rome. There is no confirmation of the belief of some Bulgarians that this trip means abdication.

II. Hungary

Grave tension between Germany and Hungary has postponed the departure for Budapest of the German Military Mission. When Kallay replied favorably to the German ultimatum he was only playing for time; when he offered the 13 divisions, he stipulated that German troops should not pass through Hungarian territory. General Zabo, Hungarian military attache at Rome, is reported to have departed for Istanbul in order to establish contact with the Allies.

III. Rumania

A widely distributed public declaration concerning Rumanian resistance movements contains the following statements:

1. The Astra-Romana and Credit Minier refineries at Ploesti have been destroyed. Pipe lines near the town were broken and hundreds of tank cars destroyed. German specialists have arrived to study the possibility of restoring the installations, but laborers in the region refuse to stay there.

2. The declaration demanded that Antonescu should be thrown out along with the Boches whose bayonets alone support him.

3. Maniu declared that Rumania should withdraw from the war immediately, and before Hungary could obtain Allied support.

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By Authority of _____

CIA 006687
By SR Date APR 3 1975

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4. The Government has refused General Hansen's demand for protection against anti-German movements on grounds that such action would provoke a revolution.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

Regraded Unclassified

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Germany: Reports of Mutinies among U-boat Crews

According to a report from Stockholm, recent news stories about mutinies among German submarine crews have been substantiated by several more reports from private sources. (B-2)

Between 50,000 and 75,000 people were killed in Hamburg, according to partly verified reports. (C-3)

(OSS Official Dispatch, Stockholm)

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CIA 006687

By SR Date APR 3 1975

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Germany: Troop Movement to Italy

The following report, rated B-3, was transmitted by the OSS representative in Bern:

Although no German troops moved into Italy via the Brenner Pass between 25-28 July, the Pass has been operating to capacity since the 28th, probably 1 to 1½ divisions daily.

An army command is probably forming in the Brenner-Trento-Innsbreck area.

Since about 28-29 July, when 40-48 trains passed through Modane, no troop movements from France to Lombardy have been noted.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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Germany: Morale of U-boat Crews

Reports on the morale of U-boat crews continue to be conflicting. OSS London transmits a report from an interrogator of Ps/W stating that there has been no noticeable decline in the morale of the crews. They are principally made up of young men, largely ardent Nazis, full of blind faith and vigor. While they realize the increasingly effective war against U-boats, they do not know the extent of the campaign.

(OSS Official Dispatch, London, rated reliable)

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CIA 006687

By SR Date APR 3 1975

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Netherlands Indies: Trend of Japanese Propaganda

Van Mook regards the recent trend of Japanese propaganda and Japanese treatment of the white Dutch in the islands as significant, although he has no definite interpretation of it. Evidences of the new trend are less derogatory broadcasts directed at Van Mook himself, release of prisoners, including his wife; and the fact that at recent demonstrations American, British, and Chinese flags, but not the Dutch, were insulted. Finally, it is significant that the Japanese have not set up a native governing group. Van Mook estimates that all this may constitute the foundations of a collaborationist policy to accompany some form of peace offer this winter from Japan to the Allies.

(OSS Official Dispatch, London, rated reliable)

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CIA 006687 APR 3 1975

By SR Date _____

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Germany: Air Bombardment and Morale

The following report, transmitted by the OSS representative in Stockholm, comes from a source he believes reliable:

German sources report that the millions of Ruhr inhabitants rendered homeless by bombing have developed the "refugee mentality." They are discontented, disinclined to work, and enlarge on their misfortunes in order to obtain the greatest possible assistance. The home front is endangered by all this, and the effect may be greater than the direct damage resulting from the bombardments.

Neutral sources, considered reliable, state that between 24,000 and 28,000 persons were killed by the bombings at Wuppertal. After the July 4 bombing of Cologne the city authorities had to care for 350,000 of the city's 750,000 inhabitants. The number rose to 400,000 after the July 8 raid. Workers' quarters suffered most, industry least, at Essen. At Dusseldorf, 32,000 homes have been destroyed.

Fourteen days is required to load a medium-sized cargo steamer at Stettin and Swinemuende (Pomerania). Low morale is responsible, along with scarcity of labor.

An engineer from a large German aircraft factory, states that aircraft are grounded not because of insufficient production, inadequate materials, or lack of aviation gasoline, but by the appalling shortage of lubricating oil.

Many Germans believe that the Allies will not bomb German factories in eastern Europe, which serve the eastern front, because they desire to keep the Russian armies fully engaged against the Germans.

The Berlin Foreign Office considers that the Free German Committee in Moscow has as its primary enemies, America and Britain. Accordingly, the Germans must continue to attempt to split the United Nations by intensive propaganda.

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(OSS Official Dispatch, Stockholm)

CIA 006687

By SR Date APR 3 1975

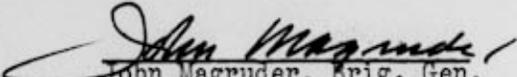
SECRET
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

9 August 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 48

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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Germany and Italy: Current Situation Reports

The following reports from Bern cover the period July 27 - August 1, 1943. The rating is B-2.

I. Military

1. Von Rundstedt has received his instructions to occupy the Italian zone in France, and has assembled several divisions, including SS divisions, in the area of Marseille-Avignon-Valence-Lyon. The German High Command has had no direct dealings with Italian headquarters at Grenoble since July 26.

2. The German armies on the eastern front are feeling the serious shortage of munitions. Though there is no prospect of replacement, the munitions reserves of the Third Panzer army, and of the Sixth, Fourth, and Second Armies have been tapped.

3. General Leuters has been faced with a difficult situation at Sarajevo since 26 July. He is obliged to strengthen his supply lines in Croatia in order to hold his exposed troops in Montenegro, Western Serbia, and Bosnia. Three German divisions are in readiness in the Villach and Cilli-Klagenfurt regions to take over the area of Laibach. Railroad communications between Laibach and Trieste have been interrupted since July 27.

4. Hitler himself has not been able to induce the German High Command to weaken fighter aircraft protection on the eastern front in order to strengthen the south and southwest.

II. Political

1. Contrary to reports which were propaganda prepared in advance by Ciano, the workers' demonstrations in Genoa, Milan, Turin, and Rome were hostile to the Badoglio government, the Crown, and the Vatican. They were outspokenly anti-militaristic, Socialist, and, to a certain extent, Communist. Cardinal Schuster of Milan is particularly unpopular because of his relations with the Fascists.

2. The German Foreign Office has allegedly learned that Badoglio's son was in North Africa to

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CIA 006687

By SR Date APR 3 1975

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negotiate with Eisenhower; and the Foreign Office also believes that Secretary Stimson's visit is connected therewith.

III. Economic

1. Work in the entire Voss and Blohm plants at Hamburg has ceased. Important armament plants in Altona, including the Vereinigte Metallwarenfabrik, have also been destroyed.

2. Sabotage in Yugoslavia has created an acute German copper shortage. The Germans have tried to replace copper with aluminum, but of the 9,200 tons required monthly for armaments, only 8,500 tons are at present obtainable.

3. Since 26 July the Germans have stopped export to Italy of leather, machine tools, chemicals, and metals. No more silk, zinc, sulphur or bauxite is shipped to Germany from Italy. Reduced quantities of coal are still being sent to Italy.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

SECRET

Germany: Unverified Rumor of a Military Coup against Hitler

On July 26 or 27 an anti-Nazi German officer, passing through Sweden, told the following story: The informant of the OSS representative in Stockholm believes that the German National Committee in Russia thinks the story reliable, but the OSS representative has not been able to verify it.

A few weeks before the Verona conference, Hitler promised Mussolini to give Italy ten more divisions and additional equipment for its defense. When the German High Command independently informed the Italians that the promise could not be kept, Mussolini demanded the meeting with Hitler. Halder, Chief of Staff, declared that Italy was lost, and the High Command told Hitler before the meeting that no more military aid could be given to Italy. The military carried on the actual discussions at Verona, though Mussolini interrupted at one point to declare that he would sue for peace. The German officers told him that he was in no position to do so.

The German military plan to take advantage of the effect of Italian capitulation on the German people to cause the overthrow of Hitler and the Nazis. This is in accordance with negotiations allegedly carried on two months ago in Stockholm between Russian and German military representatives. At that time the following points were covered.

1. Russia would prevent the U.S. and England from dividing Germany into small parts.
2. The Russians would recognize and support the German military regime.
3. The Soviets prefer a strong military regime in Germany.

(OSS Official Dispatch, Stockholm, rated C-3)

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CIA 006687

By SR Date APR 3 1975

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Effect of the Bombing Offensive on U-boat Crews

The following information is summarized from the report of authoritative British Intelligence circles:

USAAF heavy daylight attacks against submarine operational bases have created dismay among crews and dock workers. As a result of the bombing it has been possible to maintain the U-boat fleet only with great difficulty. The morale of crews has sharply declined, but there is as yet no indication that their fighting spirit has been impaired.

(OSS Official Dispatch, London)

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CIA 006687

By SR Date APR 3 1975

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French Morocco: Arrest of French Fascists

According to a Casablanca dispatch, rated reliable, the Resident General (Puaux) has ordered the arrest of 250 French fascists affiliated with the Service d'Ordre Legionnaire (SOL) and the Parti Populaire Francais (Doriot's PPF). In preparation for the expected first official visit of De Gaulle, the authorities in Casablanca intend to arrest royalist leaders.

(OSS Official Dispatch, Casablanca)

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CIA 006687

By SR Date APR 3 1975

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Italy: Opposition Views on Alleged Policy of the Allies

In a dispatch, transmitted from Bern, it is alleged by a representative of the Italian Socialist party that the opposition in Italy is unanimous for the liquidation of the monarchy.* It is further stated that the existence at present of the differences between the policies of the Allies and the Italian opposition is an essential factor in delaying the development of the crisis in Italy. If Allied policy could accept the following position it would be enough: "Should the people of Italy prove clearly by its democratic representatives and by the voice of its parties that the monarchy is not desired, the Allies surely would not wish to impose the monarchy on the people by forceful means."

*This statement is believed by another source to be too strong. It represents the view of the socialists and of the communists, according to this informant.

(OSS Official Dispatch, Bern, rated B-2)

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CIA 006687

By SR Date APR 3 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

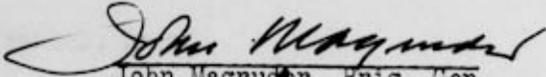
WAB

7 August 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 47

Submitted herewith are some additional
items received from our secret sources abroad.

Unless otherwise indicated, the items of
information submitted herewith are reports just as
received from agents and have not been evaluated
as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687
By SR Date APR 3 1975

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Italy: Dispositions of German Troops

According to a Bern dispatch, rated B-2, the railroad line between Verona and the Brenner was closed by the Italians on 1 August thus delaying reinforcements and supplies for the Nazi troops in this region. Though the Italians said that the line would be reopened the night of the same day, the Nazis interpreted the move as the first indication of official Italian enmity.

As of 28 July, four Nazi divisions are reported stationed north of a line Venice-Pavia-Genoa. South of this line, exclusive of the islands, there are 7 German divisions. Three divisions are expected as reinforcements after 28 July, suggesting that the Nazis intend to defend at least the rectangle Venice-Brescia-Trieste-Bolzano. Such a move, it is said, would limit the utility of air fields in north Italy and would give protection to the Balkans.

A previous report that Bolzano is the Nazi north Italy headquarters is confirmed. Verona is the principal supply center for this area of operation.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR

Date APR 3 1975

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Italy: Comments on the Badoglio Government

The private report of an important neutral diplomat (dated 29 July) expressed the conviction that the Italian monarchy is through. He further stated that Rome quarters are not yet aware of Germany's intention in northern Italy.

In a conversation on 4 August it was the unanimous opinion of competent sources that unless the Badoglio government secured peace immediately on any terms, it would be promptly discredited. They further agreed that the Badoglio government should be liquidated in favor of one with no previous Fascist connections or attributes if we desired the support of the Italian people.

(OSS Official Dispatch, Bern, rated B-2)

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CIA 006687

By SR Date APR 3 1975

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France: German Troop Movements and Defense Plans

The following report from a good French source was transmitted by the OSS representative in Bern:

Competent observers believe that the Nazis are planning their defense along a north-south line made by the Saone, Rhone, and Meuse rivers. In order to insure a rapid movement, they will keep a mobile reserve force on either side of this line. The best troops are at the Mediterranean end of the line to repel an expected combination attack on Italy and southeastern France.

Between July 29 and August 2 an average of 26 trains a day passed through Lyon going from Holland to Carnaulès /? near Toulon. These trains carried motorized troops and equipment.

The French railroads received orders to envisage augmented movements of troops along the Rhone valley, especially in the section from Lyon to Marseille.

The Nazis are withdrawing a portion of their forces and material from the southwest and from Brittany.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

SECRET

England: Labor is Disturbed about AMGOT

The following report, secured from reliable sources, was transmitted by OSS, London:

The International Transport Federation is disturbed at the alleged lack of trade union representation, and the absence of democratic influence in AMGOT. This has arisen from the absence of information on the policies and purposes of AMGOT, and OSS London would consequently like additional information concerning its activities. One opinion suggests that there is need for an international trade union delegation to go to Sicily for the purpose of emphasizing the present guarantee of freedom of association for Italian workers. An important Ministry of Labor official advised that Bevin was interested in the problem, and had made representations to the War Cabinet along this line. The matter is believed of sufficient importance to have the information conveyed to the White House as revealing a significant labor attitude in London.

(OSS Official Dispatch, London)

August 7-1943

DECLASSIFIED

By Authority of _____

CIA 006687

By SR Date APR 3 1975

THE WHITE HOUSE
WASHINGTON

August 4, 1943

~~SECRET~~

MEMORANDUM FOR ADMIRAL BROWN

The attached report from O.S.S., dated August 3, 1943, appears to be of interest.

As you recall, the rating B-2 means "Usually reliable, probably true."

Chester Hammond

CHESTER HAMMOND,
Lt. Colonel, General Staff.

1 Incl.

WIS

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Germany: Comments on the Military Situation

~~SECRET~~
8/3/43

The following information, transmitted by the OSS representative in Bern, comes from a German source and is rated B-2.

A. The Eastern Front

The situation here, in the opinion of the source, is more serious than either neutral or Russian sources indicate, in view of the failure of the German offensive. This was started by Hitler against the advice of the generals. It is doubtful whether the Germans can avoid a general retreat.

The most serious element of the situation is the ever increasing activity of Russian partisans who are now carrying out large scale operations hundreds of kilometers behind the German lines. The destruction of German supply trains has reached colossal proportions.

B. Italy and the Balkans

Friends of the source scoff at the idea that Mussolini voluntarily resigned. He was forced out by a military putsch, about a month earlier than was expected. Repercussions in Germany of the easy overthrow of the Italian dictator are far-reaching. Informed Germans are bound to question the omnipotence of the Gestapo, and to ask how long it will take to emulate the Italians.

It is also the source's belief that Allied policy and treatment of occupied territories will be accepted as the pattern by which we will proceed elsewhere in Europe.

The source believes that if Allied pressure continues, political and military collapse may occur on Germany within a few months. Germany's military situation is weaker than generally assumed, particularly in the Balkans. The main problem confronting the German generals today is how to save Germany from Bolshevism, not how to get rid of Hitler. It is typical of this state of mind that certain military circles in Germany interpreted a recent pause in our bombing activities as being motivated by our desire to avoid the bolshevization of Central Europe. Some circles believe that the time is approaching when a section of the German army will not hinder Allied landings in Western Europe in order to frustrate a Russian influx.

The informant also believes that in view of the grave situation on the Russian front, there is serious danger that the Russians will penetrate the Balkans, Poland, and possibly eastern Germany before the Anglo-Americans can.

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(OSS Official Dispatch, Bern)

CIA 006687

By SR Date APR 3 1975

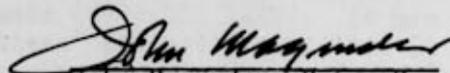
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

5 August 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.

Transmitted herewith is a memorandum prepared by the Foreign Nationalities Branch dealing with the Moscow Manifesto on a Free Germany, together with a summary prepared for your use by the Current Intelligence Staff.

In view of the fact that the memorandum contains certain views expressed privately and unofficially by Minister Harold Butler of the British Embassy, it is requested that it be treated as strictly confidential.


John Magruder, Brig. Gen.

Deputy Director, OSS -- Intelligence Service

Enclosures

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Summary of a Memorandum Prepared by the Foreign Nationalities Branch, OSS, on the National Committee of Free Germany Set up in Moscow.

The proclamation in Moscow of the National Committee of Free Germany was motivated by some combination of four possible considerations. First, plain psychological warfare (to impair the enemy's will to fight); second, to spread Russian influence over the whole of Europe as against Anglo-Saxon dominance; third, to pave the way for peace maneuvers, including possibly a separate peace; finally, to exert pressure on the U.S. and Britain for closer cooperation with Russia.

Russian policy toward Germany has for several months increasingly emphasized an appeal to nationalism. On November 6, 1942, Stalin announced that Russia had no intention of destroying Germany as a nation or as a military power. A Radio Moscow broadcast in December 1942, (by Ernst Fischer) called on all Germans, regardless of political partisanship, to establish a new "truly German, truly national government." An alleged conference of the underground in the Rhineland, publicized in December 1942, by Soviet-affiliated agencies, similarly appealed for a "national democratic government."

This policy of inspiring "free" national movements is not new in Russian propaganda: the Russian press has enthusiastically announced a Hungarian Front for National Independence (January 1943) and an Austrian Freedom Front (March 1943) prior to its Free Germany manifesto (July 21, 1943). It has been reported that "free committees" are being organized in Moscow for the Bulgarians, the Czechs, the Slovaks, and the Yugoslavs.

An unofficial memorandum by State Department representatives emphasizes this sustained development in Russian foreign policy of the device of "free" national movements. In special reference to Free Germany, the memorandum notes the proclamation's apparent divergence from the Casablanca terms of unconditional surrender and the assertion of a clear distinction between the German people and their present rulers. Because of the Communist affiliations of the signers of the manifesto, the State Department officials conclude that the appeal is in effect for a Soviet-controlled government in Germany. The manifesto is classed as "astute" psychological warfare in fomenting dissension among the enemy, and also a technique for securing in Europe governments which would be favorable to Russia if not completely controlled by her. The memorandum finally notes that no exception can officially be taken to the proclamation because of its adherence to democratic principles.

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By Authority of

DIA 006687
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APR 3 1975

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A British view (Minister Harold Butler) interpreted the Free German proclamation as a trial balloon designed to evoke Anglo-Saxon counter-proposals that might be coordinated with Russian plans for having some considerable influence in Central Europe; this attitude took especial note of the fact that the manifesto had no legal Soviet standing and could be dropped if accommodation with Britain and America made it advisable.

A group of Central Europeans, mainly diplomatic representatives resident in the U.S., agreed that the proclamation was at least partially a device of psychological warfare intended to weaken the enemy, logically taken by Russia alone since the Russians faced more than 200 German divisions while the British and Americans were fighting only four or five. A number (especially Count Coudenhove-Kalergi and Constantin Fotich) viewed the maneuver as a sign of the Russian intention of forestalling Anglo-Saxon dominance and extending her own in Europe. Most of these Europeans felt the possibility of a Russian preparation for peace with Germany could not be overlooked. The scheme was considered a practical political program by a few, who thought it might represent an effort to win over the German army, Church, industrial and land-owning interests, especially since the Communist underground is not thought to be very numerous at present. Considerable criticism of the U.S. for not recognizing "free movements" here was voiced, and there was much deprecation of the absence of any strong American policy on a future Europe.

Viewed in the light of evidence from all sources, the Moscow proclamation of Free Germany gives every indication of being the product of a renascent Russian nationalism. It can well have practical implementation in a future Germany; two independent refugee sources mentioned important "bourgeois" Germans (Pastor Niemoller, General von Brauchitsch and Dr. Schacht) as leaders of a genuine non-Nazi German government. The Russians are fighting a "total war" with a clearly determined policy, not just victory for its objective. In contrast to the U.S. and Great Britain, who have not gone beyond the generalities of the Atlantic Charter and the Four Freedoms, Russia has proclaimed the Free German movement as a premeditated political step toward Russian objectives in Europe.

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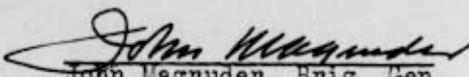
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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

6 August 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 46

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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Italy: The Milan Riots

Women were among the most excited demonstrators. One of the calls most frequently heard was: "Peace, Peace, Badoglio will give us peace." Fascist badges were ripped off and trampled. Soldiers and Carabinieri took part in this. Pictures of Mussolini were piled up and insulted. Garibaldi's monument was strewn with red flowers. Slogans such as "Vengeance for Matteoti" appeared on trams, but the crowd of demonstrators was so great by afternoon that the trams could not circulate.

(OSS Official Dispatch, London, rated: reliable)

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CIA 006687

By SR Date APR 3 1975

Albania: Plans for a Government-in-exile

The following are the opinions of Zavalani, of the Albanian desk of BBC, who is expected in this country shortly to promote the Free Albania movement. The opinions were expressed after he accepted the conditions of the Free Albania convention, 27 June.

1. Because Noli (Bishop Fan Noli, head of the royalist Albania group "Vatra" in the U. S.) refused to accept a united front leadership, a joint commission of Free Albania and Vatra should nominate Chekrezi (former High Commissioner of Albania in the U. S., and head of the republican "Free Albania" group). He would then introduce the question of Albanian recognition to the State Department.

2. Zog would be accepted as head of a government in exile provided he agreed to the following conditions: (a) The scope of the agreement would only be to make certain that Albania was admitted to membership in the United Nations; (b) the arrangement to last only for the duration, and not to interfere with the right of Albanians to choose freely the form of government they want after liberation; (c) Zog to declare that he would not return to Albania until such return was approved by a democratically elected Parliament.

3. The government-in-exile would be constituted in fair proportion among members of Vatra and Free Albania.

4. Recognition of the government-in-exile would be accompanied by a stipulation that the territorial reconstruction of Albania would be based on 1939 boundaries.

(OSS Official Dispatch, London, rated A-2)

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CIA 006687
By SR Date APR 3 1975

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Germany: Indecision on Defense of Italy

The following report, transmitted by the OSS representative in Bern, is rated reliable.

The Nazis are apparently undecided whether to reinforce their positions in North Italy, or to withdraw. This is indicated both by positive reports, and by the absence of palpable evidence of recent troop movements to or from Italy. Even if the Germans decide to withdraw, reports suggest that they would try to defend the Trieste-Brenner Line.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

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Union of South Africa: Expansionist Policies

The following report, rated A-2, was transmitted by the OSS representative in Capetown:

In a recent speech in Southern Rhodesia Smuts congratulated Rhodesia on its war effort and expressed hope for post-war cooperation. Smuts has a long-range view of a greater South Africa (envisioning economic union now, political union in the distant future if conditions are right?). It seems rather definite that there will be a post-war incorporation of the South West in the Union. However, Smuts envisions only expansion policies in line with democratic processes.

Some South Africans would also like to take Mozambique, but unless actual provocation occurs, Smuts will make no move. Even then, he would probably act only with the approval of Roosevelt, Churchill, and the Allied War Council.

(OSS Official Dispatch, Capetown)

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CIA 006687

By SR Date APR 3 1975

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Yugoslav Government: Reports of a New Crisis

According to an unevaluated report, Krnyevich, first vice-premier, has resigned, thus eliminating Croat participation. It is alleged that the reason for Krnyevich's resignation was the appointment by Foreign Minister Grol of three Serbs to be ministers to Ankara, Algiers, and London (the government is shortly to go to Cairo). Grol apparently did not discuss these appointments either with Eden or with the Yugoslav cabinet.

(OSS Official Dispatch, London)

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By SR Date APR 3 1975

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Eastern and Central European Federations, etc.

The following information, rated B-2, was transmitted by OSS London:

1. Stalin does not look favorably on Benes' ideas about confederation with Rumania and Yugoslavia because these countries have opposed Soviet policies.

2. A recent story in the Chicago Sun to the effect that Sidor and Papee, Slovakian and Polish ministers to the Vatican, have had conferences, is confirmed. Karal Sidor (Slovak nationalist and one of the founders of the Hlinka guard) alleged that the only obstacle in the way of Slovak-Hungarian understanding was Kaschau (a city taken from Czechoslovakia by Hungary in 1938). Furthermore, in order to counter-balance Prague (Benes opposes Sidor as a Quisling), Slovakia would negotiate with Poland. Indeed, Slovakia would be willing to adhere to a Polish-Czech confederation, but only as an equal member.

3. The Polish government-in-exile has proposed to President Raczkiewicz that he name as his successor Dr. Grabski, president of the National Council. Maneuvers are being undertaken by the Poles to have Mikolajczyk invited to the White House.

(OSS Official Dispatch, London)

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CIA 006687

By SR Date _____

APR 3 1975

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

August 3, 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 45

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

John Magruder
John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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Germany: Hitler's Report on the Verona Meeting

The OSS representative in Bern transmits the following report of a reliable source, who received the account from a purported eye witness:

1. After returning from Verona, Hitler summoned some 50 generals to report to him. He informed them that the situation on the eastern front was good, and that the offensive on the eastern front had had a psychological effect on the German people. In the light of the admittedly unsatisfactory Italian situation Hitler announced to the generals his decision to form a Lombard state, including the south Tyrol and Vienna, which would be incorporated into the Reich. Hitler then departed abruptly leaving his generals standing around like schoolboys.

2. As to how long it will be possible to keep the situation in hand not one of the generals had the slightest idea. Nor could any of them imagine what would come after the total defeat which each of them contemplates. They are unanimous, however, in feeling that regardless of the demands of other actual or potential fronts, Germany must hold the eastern front at all costs.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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Germany and Italy: Troop Movements

A source, considered reliable by the OSS representative in Stockholm, furnishes the following information:

The Germans are moving troops from the south into the Po Valley, with a view to taking a stand along the old fortified Po line. The plan is complicated by the radical sympathies of workers in the cities of the industrial region.

Twenty Italian divisions are being withdrawn from the Balkans to Trieste-Fiume bottleneck, an area loaded with political dynamite. (A dispatch from OSS London states that while no specific reports have been received, there is a general withdrawal of Italian troops now in process both in France and the Balkans. British military opinion in London concurs. Credence is given also to the report that Nazi troops are moving into Fiume, Trento, and Trieste, points which will constitute the first lines of German defence.)

(OSS Official Dispatches, Stockholm and London)

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CIA 006687

By SR Date APR 3 1975

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Axis Troops in the Balkans

According to information from reliable sources which has been transmitted by the OSS agent in Bern, on July 18 there were 28 Italian divisions in the Balkans, distributed as follows: five in Albania; one in Corfu and in the Ionian Islands; two in Crete; six in Croatia or Dalmatia; two in the Dodecanese-Rhodes; ten in Greece; two in Montenegro.

As of July 7, there were two German divisions in Crete; two in the Dodecanese, 14 in Greece and Yugoslavia.

According to a July 24 report based on Italian documents, there are 378,000 Axis effectives in Albania, Croatia, Dalmatia, Greece, and Montenegro.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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Italy: Demonstrations; Pronouncement of the Opposition Parties

The following information, rated B-2, was transmitted by the OSS representative in Bern:

The resignation of Mussolini actually occurred on Saturday, not on Sunday which day was used to send troops to vital points. Catholic meetings were called on Sunday to demonstrate for the "conservative, support-Badoglio wing". Fifteen minutes after the announcement, 50,000 people demonstrated in front of the Vatican. Likewise a large Catholic demonstration occurred in Milan the same evening. Workers began arriving after midnight to provide a less conservative demonstration.

Although reports emphasize violence only in Milan, it was actually general throughout Italy. Bloodshed was more evident in smaller places. Peasants in farming areas dispersed the Carabinieri and killed the Fascists. Workers are arising everywhere, and the country appears ripe for anything.

The following are the chief points in the pronouncement of the Italian "opposition parties", July 20th:

1. Complete liquidation of Fascism with all its instruments of oppression.
2. Armistice for the conclusion of an honorable peace.
3. Restoration of all civil and political liberties, above all liberty of the press.
4. Immediate release of all political prisoners.
5. Reestablishment of legal justice and due process of law; relentless prosecution, however, of Fascist criminals.
6. Abolition of racial laws.
7. Constitution of a government representing all parties expressing the national will.

(OSS Official Dispatch, Bern)

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CIA 006687
By SR Date APR 3 1975

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Italy: Comment on the Badoglio Cabinet; Opposition Groups

The following report, transmitted by the OSS representative in Bern, comes from reliable sources:

Badoglio was obviously unable to induce any outstanding personalities to join his transition cabinet. It is unlikely, according to friends of the source, that the cabinet can last more than a few days or weeks. The nomination of Guariglia, known as a "technical diplomat," has no political significance. The remainder are largely old regime functionaries. The appointment of Guido Rosso (Propaganda Ministry) is causing amusement since he is regarded by the source's friends as an agreeable nullity.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

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Italy: Nazi Aid to Italian Communists?

The following is an excerpt from a speech made on July 27 to a closed meeting of Nazi party workers by Wagner, Gauleiter for Baden and Alsace:

"That affairs have gone as they have (in Italy) is quite all right. The European peoples must first really have a lesson on what will happen to them should we lose the war. Hence, to have Mussolini disappear for a while is good. Enough mischief will then be created by Red rough necks so that neutrals will get the wind up, and then they will come over to our side because Communism is not wanted by anyone. In this way we will also get the Church with us which is also important. The Church can still get us a good peace, and even if it should not work out this way, we realize anyway that we must continue the fight against Communism until final victory has been achieved."

(OSS Official Dispatch Bern, rated C-3)

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CIA 006687
By SR Date APR 3 1975

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Tangier: Moorish Sympathy for the Allies

The OSS representative in Tangier has cabled the following information, which he rates B-2:

Control of Moorish sympathies is fast slipping from the hands of the Axis. El Wazzani, who has lost favor with the majority of his own people, is the only prominent nationalist still on the Axis side. He has to resort to subterfuge to keep the Nazis believing that he exerts influence on the people.

(OSS Official Dispatch, Tangier)

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By SR Date APR 3 1975

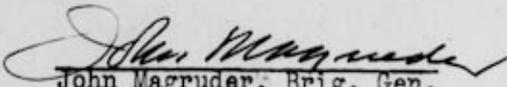
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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

31 July 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 44

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SP Date APR 3 1975

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Spain: Pressure on Franco

According to a report transmitted by the OSS representative in Madrid, Orgaz has informed a leading Spanish monarchist that the military are preparing an even more drastic petition for the restoration of the monarchy. The first signatures will be those of Orgaz and Kindelan.

(OSS Official Dispatch, Madrid, rated B-3)

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By SR Date APR 3 1975

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Germany: Migration of Ruhr Industry

The following information, transmitted by OSS London, came from reliable sources:

Goering has agreed to plans for the relocation of more than 50 percent of the mobilization industries in the Rhine-Ruhr district which have no connection with the mining industry. Goering's approval has the backing of industrial groups, and the plans call for removal of installations to other parts of Germany as well as to eastern France. Machinery will be set up in factories which are not producing war materials, and the change will be completed by 1943 according to the plans.

The plans are more drastic than they were a month ago. It is impossible to induce workers to stay in areas which have experienced air-raids. Up to October, mass evacuation from the Rhine-Ruhr area will involve some 350,000 workers.

There has been an enormous loss of production already as a result of plan relocation. So far as the army is concerned, the chief loss consists of fine instruments, tools, machinery, and fuels.

(OSS Official Dispatch, Bern)

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CIA 006687
By SR Date APR 3 1975

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Italy: Popular Reaction to the Fall of Mussolini

From the OSS representative in Bern:

Anti-Fascist riots are being staged in Milan. Military patrols are forcing people to remove Fascist emblems. The building of Mussolini's newspaper, Popolo d'Italia, has been burned.

According to the report of a train conductor there was so much rejoicing in Rome that the supply of wine was exhausted. He states that, since the Germans, still retain great power the opinion is publicly expressed that peace is hardly possible yet. Nevertheless the Italians will sue for peace as soon as they are able. Italian forces would not resist seriously an Allied invasion, and they rejoice in the news of Allied victories. However, the Germans still prefer to fight in Italy.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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The Background of Mussolini's Removal

The following information, transmitted by the OSS representatives in Bern, comes from excellent sources:

At their last conference, Mussolini requested of Hitler increased military aid for the defense of all Italy. Hitler refused, suggesting that the Italians withdraw their army to join German forces in the defense of northern Italy. Mussolini returned to face the Army leaders with this proposal. A violent conflict ensued and the Army removed Mussolini and assumed power.

At the moment the pertinent questions are:
(1) Can the Nazis defend the line Livorno-Ancona;
(2) the fate of Italian troops in the Balkans. The consensus of opinion on question one is that Germany cannot hold the line, in the face of strong anti-Nazi sentiment in northern industrial towns without substantial reinforcements. The second question is puzzling but it is generally thought in Bern that the Italian troops in the Balkans no longer have combat value. According to a report, the German SS Division, Prinz Eugen, has already experienced difficulties with Italian troops in Albania.

(OSS Official Dispatch, Bern)

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CIA 006687
By SR Date APR 3 1975

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Italy: Reactions of Republicans and Socialists

The following reliable report was transmitted by the OSS representative in Bern:

The Socialists and left-wing resistance groups are denouncing the King for his duplicity. They insist that Badoglio was called to power on the eve of the outbreak of civilian rioting in which military groups would also have taken part. Badoglio's role, they allege, is to sacrifice Mussolini in order to save the throne, to preserve Fascism, and to prolong the war. They think Badoglio's manoeuvres will fail because the Italian people want an end to both the war and dictatorship.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

30 July 1943

TO: Col. Chester Hammond, White House Map Room

FROM: John Magruder, Brig. Gen.

SUBJECT: Reports Received in Office of Strategic
Services, No. 43

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

There is further submitted, 2 reports from the Foreign Nationalities Branch covering the Moscow Manifesto on a Free Germany, together with a summary prepared by our Current Intelligence Staff.

John Magruder

John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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By SC Date APR 3 1975

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German Strategy in Italy and the Balkans

The following report from an untried source is transmitted by the OSS agent in Bern:

General Von Stulpnagel, and General Von Rundstedt have arrived in Italy via Modane. On Sunday, July 24, Umberto conferred with the King. German troops in southern Italy have been ordered north. They have been reproached by the Italians for abandoning them and outbreaks between German and Italian soldiers have occurred.

The total number of German troops in northern and central Italy consists of two divisions in Tuscany and 65,000 men in the Milan-Genoa-Turin area.

Frantic preparations are being made to defend the Adriatic coast, eight or ten Italian divisions being consolidated with the German forces in this area.

The German High Command has let it be known that Italian troops outside Italy will be held as hostages if Italy capitulates.

According to report the German High Command intends to abandon southern Greece as indefensible on account of guerilla activity, the lack of serviceable roads, and the difficulties of provisioning. Balkan defense has been organized on a line of defense beginning with Trieste, running south to Epirus, passing thence inland between the Pindus mountains and the valley of Mt. Olympus, and reaching the coast at Salonika. Thessaly and the Peloponnesus are organized for delaying resistance only. The High Command believes that Crete will be by-passed, and the direct attack made against the Balkans from Italy and the Near East.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

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Italy: Conditions just before Mussolini's Downfall

A report, rated A-2, transmitted by the OSS representative in Bern states that there is a great shortage of anti-aircraft guns in Italy, and that the Germans have refused to make further shipments there. A number of batteries have been removed from Venice, Milan, Turin, Genoa, and Trieste.

Military circles in Rome, as of July 24, had written off Sicily, and were apprehending landings on the peninsula itself. Great confusion existed in Calabria and southern Italy, where both conditions and communications are atrocious and where preparations for defense are only in the study stage. The Roosevelt-Churchill message was somewhat over the heads of the Calabrian peasants, who should be told that if they cease resistance there will be salami, bread, cigarettes, green stuffs -- and peace.

Turin, which is the most anti-Fascist city in Italy, was delighted to learn that the Fascist officials and the refugees in Rome were getting their medicine at last. Cities in northern Italy received the news of the raid on Rome with silent joy.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

Axis: Repercussions of Mussolini's Removal

A reliable report transmitted by the OSS representative in Bern states that military traffic over the Brenner Pass increased considerably after the meeting between Mussolini and Hitler.

The opinion is advanced that Badoglio could act as a good transitional leader, but that conditions approaching a revolution, or semi-chaos are probable if the Army fails to support Badoglio.

There is a possibility that an attempt will be made by the Nazis to occupy Northern Italy including Tuscany.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

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Toulon: Report on French Naval Vessels

According to an A-1 report, transmitted by the OSS representative in Madrid, the cruisers, La Galissoniere, Jean de Vienne, Marseillaise, and Foch, as well as two unnamed destroyers have been refloated and are under repair. Three submarines of the Pascal class, also the Dunkerque, Algerie, and Strasbourg have been scrapped.

(OSS Official Dispatch, Madrid)

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By SR Date APR 3 1975

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Germany: Casualties

Total German losses, as of June 1943, were about five and one-half million. These figures, transmitted by a reliable source and based allegedly on International Red Cross statistics, included killed, incapacitated, and prisoners.*

(OSS Official Dispatch, Bern, rated B-2)

*OSS analysts estimate 4,000,000, and are sceptical about the alleged Red Cross origin of these statistics.

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By SR Date APR 3 1975

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Iran: Situation is Critical

The following report, transmitted by the OSS representatives, comes from a reliable source:

The situation in Teheran is tense with rumors of an imminent coup d'etat backed by members of the former Kajar dynasty, or the military clique, or the ex-Shah supported by the Russians or the British.

It is rumored that the ex-Shah wants to quell the Qashgai, and there are further rumors of a Nomad uprising, involving the Gwalurs and Bakhtiaris against the government.

While the above possibilities exist, the situation is too confused to foretell results. The policy of the government is to do nothing to jeopardize its support in the August elections. Meanwhile, Iran's financial situation worsens and Parliament delays the necessary action for income tax regulation.

(OSS Official Dispatch, Cairo)

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By SR Date APR 3 1975

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French Morocco: Arrest of Collaborationists

The following report, transmitted by the OSS representative in Casablanca, comes from reliable sources:

On July 26 the ex-Prefect of Casablanca, Poussier, and his police chief, Tomasi, as well as the head of the S.O.L., Fayelle Lussac, were arrested. The arrest followed the significant speech made by the Resident General, Puaux, July 25, concerning the part played by the Service d'Ordre Legionnaire (S.O.L.) and the Parti Populaire Francais at the time of the American landings in North Africa. Bergeret and Boisson have already been placed in forced residence, and further arrests of collaborationists are anticipated.

(OSS Official Dispatch, Casablanca)

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By SR Date APR 3 1975

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The Supposed Oath of Allegiance to De Gaulle

According to the OSS London office, British intelligence services know nothing of the supposed De Gaulle oath of allegiance. It is believed that the sources of the oath story are of the flimsiest, and were secured from one Frenchman who is notoriously anti-De Gaulle, and from another who is slightly crazy.

(OSS Official Dispatch, London)

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By SR Date APR 3 1975

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Temblors in Rumania?

The OSS representatives in Bern have learned from an unevaluated source that unrest was growing considerably in Bucharest even before the news of Mussolini's resignation. Rumanian governing circles would seem to be considering the advisability of liquidating the present Government and seeking to arrange an unconditional surrender, even if that should entail a complete Nazi occupation.

(OSS Official Dispatch, Bern)

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The Irish Reaction to Mussolini's Removal

The following report, transmitted by OSS London, is rated A-2.

There was a long and laudatory account of Mussolini's career in the Irish Press, De Valera's paper. However, the pro-Axis Irish realize that they have put their money on the wrong horse.

Official quarters anxiously hope for Allied support of the Italian monarchy, Church, and established order as against support for radical emigres. They compare Badoglio with Giraud.

Expressions of sympathy sent to the Pope by Irish notables and bishops after the bombing of Rome should be construed as deriving from concern for the Church and not as anti-Allied sentiment.

One foreign office spokesman is deeply concerned about the future relations between Eire and the US. Short of war, he is prepared to do all he can for cooperation.

(OSS Official Dispatch, London)

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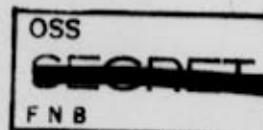
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OFFICE OF STRATEGIC SERVICES
FOREIGN NATIONALITIES BRANCH



July 27, 1943

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MEMORANDUM for the Director of Strategic Services By Authority of _____
Secretary of State

CIA 006687

By SR Date APR 3 1975

The recent proclamation in Moscow of a National Committee of Free Germany does not mark a new departure for Soviet Russian policy in Europe. Indications that Moscow was preparing, and might in due course press, its own particular political strategy appeared half a year ago in a "Hungarian Front for National Independence" (reported on by this Branch in its Number B-19 of January 20, 1943) and very notably in a so-called Rhineland Conference supposed to have been held during December 1942. This Rhineland Conference was the subject of a report by this Branch, Number 110 of March 4, 1943, wherein it was remarked that evidence was now in hand "to suggest that the USSR has adopted a policy of encouraging in Germany an anti-Nazi 'National Front' with emphasis falling heavily on an appeal to German nationalism."

It is noteworthy now that one of the most astute of the Central European diplomats in Washington expresses himself as coming reluctantly to the view that, with the further unmistakable development of the Soviet program through the formation of the Free Germany Committee, Russia may be advancing toward success, and the United States, on the other hand, failing to succeed with its general European policy. It is Constantin Fotich, Ambassador of Yugoslavia, who has given an intimate "Continental" view of Russian policy in Europe. Speaking "off-the-record" on July 24 with a European journalist whom he has known for some time --

July 27, 1943

the subject being the Free Germany Committee in Moscow, with news of Mussolini's collapse still pending -- Mr. Fotich expressed himself substantially as follows:

All that is happening is extremely sad. The American position is becoming daily stronger in a military sense and weaker politically. This great country, I am afraid, has already missed "the great boat of the peace."

I find it hard to explain this to my American friends because they are easily vexed. They are so impressed by the growing military strength of the United States that they do not perceive the increasing limitations on their political powers. What is worse, they do not understand that most of these limitations are the consequence of numerous misunderstandings and mistakes.

From the diplomatic point of view the situation is for me very clear. Russia, which has never been fully admitted into the sanctum of Anglo-American policy, distrusts that policy and fears Anglo-Saxon domination in the post-war world. In order to secure herself against this domination Russia needs Germany for the balance of power, which she may well play in the same way that Britain played it during the nineteenth century.

American diplomacy committed a fatal error in respect to France. France was greatly needed by the United States as the logical intermediary between the United States and most of the countries of continental Europe. Britain is a stranger to the Continent, but France enjoys the affection of many continental countries, extending back through centuries. France could have been the intermediary with Yugoslavia and Belgium, Greece and Denmark, even with enemy countries such as Rumania, Bulgaria, and Hungary.

By antagonizing France the United States is bound to antagonize all of Europe (meaning, the Continent). The tragedy, to the European continental mind, is the fact that Europe's fate is being determined outside of herself. Whatever European solution is worked out in that way will, however, be temporary. Europe will never accept it but will revolt against it.

Russia, which possesses a much better knowledge and

July 27, 1943

understanding of Europe than the United States, sees the situation with perfect clarity and prepares in advance its own leadership for the coming European revolt.

Russia knows that this coming revolt will bear at least as much of a nationalistic as of a social character, or maybe even more. That is the reason why Russia has thrown away the obsolete symbol of the Comintern. Russia seeks now to prepare a new International of European nationalisms. For this it has to use the left-overs of the Comintern, but it is determined to implement its program with nationalistic elements.

It is most significant that in the new "Free Germany" created in Moscow there is not a single German Jew. Soviet diplomacy seeks to assure Germany that Germany, liberated from Hitler, will be given a chance to be German, strong, and independent.

The use of the word Communism is strictly avoided; but if it avoids such terms, Soviet diplomacy still thinks on the same level of strategy, while it modifies its tactics.

Most significant for the moment is that Soviet Russia flatters Germany's national pride, as she flatters also the national pride of France. This is an extremely wise and far-seeing policy.

Some remarks by the Polish Ambassador, Jan Ciechanowski, spoken to the same correspondent on the same day, reflect a less judicial attitude:

It is becoming clear now to every American man and woman (Mr. Ciechanowski said) that the sole and real danger to our civilization is Soviet Russia. Having "dissolved" the Comintern, Soviet Russia has replaced it by the "Slavintern."

They are too greedy, however; the Slav countries which they intend to rule through the All-Slav Congress in Moscow are not enough for their imperialistic appetite. They want now all of Germany and they will want tomorrow all of Europe.

The danger is tremendous; we must save Europe and our Christian civilization.

July 27, 1943

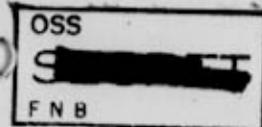
The Polish Ambassador added that he was delighted to have had two talks recently with Edgar Ansel Mowrer and to have convinced him of the importance and acuteness of the danger,

ACP

DeWitt C. Poole

cc: Deputy Director, IS
Director, R & A
Chief, SI
Member, Board of Analysts (McKay)
Director, Psychological Warfare Room
Member, Planning Board (Wilson)
Deputy Director, Planning Group for
Psychological Warfare
Vice-Chairman, Advisory Committee

OFFICE OF STRATEGIC SERVICES
FOREIGN NATIONALITIES BRANCH



July 23, 1943

MEMORANDUM for the Director of Strategic Services By Authority of _____
Department of State

DECLASSIFIED S 36

CIA 006687
By SR Date APR 3 1975

Referring to the proclamation in Moscow on July 19 of a National Committee to Free Germany as a supreme stroke of psychological warfare which has conceivably put in jeopardy the whole outcome of the war, Count Coudenhove-Kalergi urged, during an informal conversation today at the Foreign Nationalities Branch, that immediate attention be given to necessary counter-steps. Count Coudenhove will be remembered as the intelligent and energetic proponent over many years of the idea of a Pan-European Federation. He is regarded as anti-Soviet Russian by those who are particularly friendly to Soviet Russia, and by many as in some degree anti-British also, since he proceeds from a strictly Continental point of view.

The purpose of Count Coudenhove's call was to offer his assistance in any way desired in connection with what he deems to be the imperative requirements of an effective psychological counter to the Russian "offensive." The main points of his estimate of the situation may be summarized as follows:

The Germans now have before them two offers of peace: one on the basis of unconditional surrender and the other on the negotiated basis which has been set forth from Moscow, of course with the approval of Premier Stalin.

The Germans are likely to make their choice soon. It

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July 23, 1943

is possible that under the pressure of continued Allied bombing and the oncoming of winter they will act this autumn.

Probably most Germans would in principle prefer surrender to, or some sort of compromise with, the West; but "unconditional surrender" can offer little prospect of solace; but instead the horror of Czech and Polish revenge and a period of unutterable suffering and humiliation.

Therefore, the near future may find Germany and Soviet Russia on the threshold of a peace to be negotiated along the lines to which Moscow has given utterance.

If it comes to this, Stalin will issue (in the opinion of Count Coudenhove-Kalergi) a call for a general peace conference. He will do so on the ground that Hitler has been disposed of and hence our essential purpose accomplished. If the Allies refuse participation and insist on pressing forward toward unconditional surrender, the war will then become, in the Soviet view, an "imperialistic war" (as it was before June 22, 1941) and Soviet Russia will be amply justified in making her own settlement with Germany.

The territorial adjustment would (in Count Coudenhove's opinion) follow the frontiers of 1914. Germany would thus regain the Corridor and Western Poland. In addition to

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July 23, 1943

the rest of Poland, Russia would take Bessarabia of course and also Moldavia; Finland (Germany abandoning her ally on the ground that she negotiated with the United States behind Germany's back); and the Finnmark, which would give Russia an ice-free port on the Atlantic. The Allies could not offer Russia any such recapture and extension of the old Czarist frontiers because of their obligations to Poland and Norway. As for Stalin's recent public assurances that there is to be a strong and independent Poland, Count Coudenhove remarked upon the possibility that "the masses" of the Polish people would demand incorporation in the USSR.

For Germany's agreement to these territorial concessions Russia could offer Germany supplies of oil and other raw materials as well as some general participation in the future economic development of Russia's vast territories.

With Russia out of the war China would undoubtedly have to capitulate at once (Count Coudenhove argued) and an accommodation could be worked out readily enough between Russia and Japan. Though he admitted having no definite information whatever on the subject, Count Coudenhove asserted very firmly his conviction that the Japanese Ambassador in Kuibyshev was playing an active role in the preparation of a Russian-German rapprochement.

With any such sequence of events it was plain that

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July 23, 1943

Great Britain and the United States would find themselves in a parlous situation and the whole outcome of the war in jeopardy. (Count Coudenhove might have buttressed his argument by reference to Sir Halford MacKinder's Democratic Ideals and Realities, but he did not.)

The deep and guiding motive of Russian policy (according to Count Coudenhove) is to forestall at all costs the possibility of an Anglo-Saxon domination of the world. To the Russian mind the Anglo-Saxons are the prime danger because they alone could now come into the way of Russia's own ambition to dominate the world. The Russians realize that they are yet too weak to aspire to dominance. The necessary strength may come, however, in a generation or two. Meanwhile the way must be kept open, and the Anglo-Saxon Powers are those who might get in ahead of them.

Count Coudenhove then passed on to a statement of his views respecting the counter measures which need to be taken. He said that it was most unfortunate that the Allied leaders had committed themselves to the program of "unconditional surrender" without obtaining Russia's concurrence. Had Russia been a party to the Casablanca agreement it would have been entirely different. As it was, the announcement of "unconditional surrender" as the unalterable goal of the Allies might in the end prove fatal.

The proper course now would be to forget as promptly as

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possible the idea of unconditional surrender. Then, on the affirmative side, to offer Europe (not the Germans alone but the whole of Europe, which apparently does not in Count Coudenhove's view include Russia) the assured prospect of an ordered life on the basis of the Atlantic Charter and the Four Freedoms. This would be the kind of Europe for which Count Coudenhove had all these years been working.

There was need for the promptest action to counter the intelligent and ominous psychological offensive which had now been loosed from Moscow.

Incidental signs had not been lacking, Count Coudenhove remarked, of Stalin's decision to stand apart and avoid deeper commitments of any kind with the Anglo-Saxon Governments. He mentioned the recall of Litvinov from Washington and of Maisky from London and the refusal, now reported in the papers, to have the Davies film, "Mission to Moscow," shown in Russia.

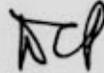
At the end Count Coudenhove spoke again of the fears which

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July 23, 1943

filled him of the close imminence of untoward events and the deep misgiving which he felt regarding the weakness of the Allies' position.



DeWitt C. Poole

CC: Deputy Director, IS
Director, R & A
Chief, SI
Member, Board of Analysts (McKay)
Director, Psychological Warfare Room
Member, Planning Board (Wilson)
Deputy Director, Planning Group for
Psychological Warfare
Vice-Chairman, Advisory Committee

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

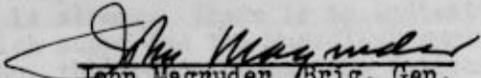
28 July 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 42

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

In addition, there is submitted, as a matter of timely interest, certain speculations made by the Research and Analysis Branch of OSS on the circumstances surrounding Mussolini's resignation.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

Speculations on Italy

Research and Analysis analysts of the OSS, despite the absence of specific reports on the circumstances of Mussolini's resignation, offer the following as speculations:

1. Mussolini was thoroughly committed to a policy of collaboration with German National Socialism. Events have made that policy increasingly unpopular. It is probable that the professional core of the armed forces and the greater part of the populace are unwilling to make further sacrifices for the German war and would welcome peace if it came as a royal order. The Fascist leaders themselves have doubtless been perfectly willing to see Mussolini sacrifice himself and his external policy in order to insure their personal safety and political careers. It is entirely possible that Mussolini, recognizing these facts, resigned upon his own volition, thereby removing the greatest single obstacle to the abandonment of the pro-German war policy.

2. The most influential circles among the army, navy, and clerical hierarchy do not hold the monarchy responsible for Fascist Party actions. King Victor Emmanuel himself has been supple enough to survive the political crises of forty-three years of rule, can quite conceivably bring about an abandonment of the pro-German policy, and would probably be willing to abdicate in favor of his son, Humbert, if that were necessary to save the monarchy. Support for the monarchy among patriotic Italians is strong. There is no indication that the forces which supported the Mussolini regime -- namely, the monarchy, the armed forces, the Vatican, the Catholic Church in Italy, and the industrial and agricultural backbone of the Fascist party -- have relinquished their power or their principles in accepting Mussolini's resignation.

3. Rome's announcement of the Badoglio cabinet evidences the attempt to organize a stable government undisturbed by the presence of political extremists. The most important new figure is that of the Foreign Minister, Raffaele Guariglia, an able and supple career diplomat of pre-Fascist standing and with

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a reputation for "moderation" in his acceptance of Fascism. In the Ministry of the Interior Badoglio has Bruno Fornaciari, a former prefect with intimate experience of "home affairs" including Mussolini's police system. The new Minister of War Production was formerly Mussolini's Undersecretary in this field. A number of the remaining cabinet members are career government officials. Little internal change is therefore to be expected in the administration of the Italian government.

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Italy: A British View of the Crisis

The following preliminary discussion and speculation comes from authoritative British intelligence sources:

1. It was pointed out that Badoglio has long been regarded as anti-German and anti-Fascist. Therefore, the removal of Mussolini is to be considered as indicating lack of desire to defend Italy for the Axis, and as clearly a change of regime.

2. Badoglio's announcement that the war is to continue was designed simply to prevent complete collapse. There are no serious indications that Italy will stay in the war.

3. While there is nothing yet to show whether the Badoglio government will countenance unconditional surrender, all reports indicate that the general populace would not be against it.

4. If unconditional surrender does occur, it would be a great inducement to the satellite countries to drop out, especially Rumania and Hungary. Moreover, a precedent will have been established for the German people so that the Nazi dictatorship could be liquidated by the Army. Italy's unconditional surrender would be a tremendous shock to the German leaders and public.

5. On the basis of time similarities, it is inferred that Hitler did not offer Mussolini enough military aid at their last meeting.

6. It is possible that the Italians will officially offer Nazi troops in Italy transportation home without supplies. If the Italians will not voluntarily operate the railways, the feeling is that the Nazi troops cannot even stay in the North.

7. It is pointed out that the Nazis would experience a critical if not impossible drain on their troops at other fronts if they were obliged to replace the 28 Italian divisions in the Balkans, and the 4 in France.

(OSS Official Dispatch, London)

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Yugoslav Government: The Pan-Serbs vs. the Croats

The summary of the contents of the declaration of policy by the Yugoslav government has been confirmed, according to reports transmitted by OSS London. This confirmation and the following additional information come from a High Croatian source believed reliable:

1. If the Croats will rescind their demand for a specific reaffirmation of the 1939 Agreement on the Autonomy of the Ban, the Serbs have unofficially agreed to a budget for the Ban of Croatia.
2. The Croats still insist on a declaration against all Quislings in Yugoslavia. Without mentioning names, the Croats are referring to Fotich and they persist in demanding his dismissal. No agreement has been reached in this matter.
3. With respect to King Peter's marriage, a few of the ministers now favor waiting until Allied troops land in Yugoslavia before the engagement is announced. The source believes that the King no longer yields to his Pan-Serb inclinations, though there is always the danger that the Pan-Serbs will try to secure royal favor by supporting his marriage. Both Givkovich, representing the Minister of War, and General Simovich are capable of this type of intrigue, and both aspire to the office of Prime Minister. Givkovich's record in the dictatorial regime makes him unpopular in British official circles.
4. Since they want to avoid any rupture with the Serbs now in the Cabinet, both the Slovenes and Krek, second vice premier, their leader, are adopting a hands-off policy.

(OSS Official Dispatch, London)

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CIA 004687
By SR APR 3 1975

Germany: Difficulties of Labor Mobilization

The following consists of brief extracts of a letter of Sauckel, dated Berlin, June 30, concerning mobilization of foreign workers:

"It is vital to mobilize the populations of all occupied territories in eastern and western Europe, for the benefit of German economy, in view of the absolute necessity of augmenting German production." (This is followed by a long dissertation on methods of handling foreign workers, and dealing with sitdown strikes, agitators, etc.) "The result of putting war prisoners and civilian laborers to work together is often that seven of the group look on while only one works. A stop must be put to this bad practice. German workers who are placed in such groups for surveillance purposes, and who should direct and stimulate foreign workers, often prefer to work alone. In order to get greater work out of the prisoners, the military authorities must impress upon the prisoners' guards the imperative necessities of war. We have the right to demand honest return of labor if we treat them properly in the general interest of maintaining our means of existence and culture which Jewish Bolshevism menaces."

(OSS Official Dispatch, Bern, rated B-2)

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By SR APR 3 1975

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Subject: Will Hill (Commonwealth)

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Greek Government: Attitude toward Unrest in Army

Members of the Greek Government joined by officials of the army, navy, and air forces, have decided to take a firm hand in quelling unrest in the army and navy, according to information supplied to the OSS representative in Cairo. It seems likely that General Galanis, Director General of the War Ministry, and the Chief of Staff as well will be dismissed. Moreover six soldiers of the brigades which mutinied will be executed. Venizelos opposed this measure as unjust, only acquiescing in order to forestall the disarming of the battalions and their use as labor troops by the British 9th Army.

The strong man in the Cabinet and the liberal spokesman who best commands the King's attention is Admiral Voulgaris.

(OSS Official Dispatch, Cairo, rated A-3)

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German Troop Movement in Norway

Most recent information available to the OSS Stockholm representative states that not less than two divisions of Nazi troops have entered Norway. This would bring the total to 12 infantry divisions and 1 armored brigade.* The information originated from good sources.

(OSS Official Dispatch, Stockholm)

*Except for the armored brigade this report agrees with base information available in OSS on German disposition in Norway.

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By Authority of _____
CIA 006687
By SR Date APR 3 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

WAR

23 July 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 41

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

John Magruder

John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 3 1975

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Metropolitan France: Underground Organizations ✓

According to a reliable report transmitted from Bern, the French Council of National Resistance (composed of 20 members, representing the trade unions, Christian trade unions, Radical Socialists, Christian Democrats, National Front communists, and the Northern and United resistance groups) is successfully coordinating operations so as to check imprudent isolated action. The Council has passed a resolution asking for the formation of a provisional government, headed by De Gaulle, with Giraud in command of the Army.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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North Africa: Foreign Legion desertions to De Gaulle

The French Foreign Legion has been compelled to transfer its headquarters from Sidi bel Abbes to Fez, in order, says the source, to put an end to the flow of desertions to De Gaulle which average 25 a day. According to high ranking Legion officers, most of the junior officers are recent converts to De Gaulle's forces. One reason alleged for the desertions is a recrudescence of Petainism among officers of high rank. Another is the alleged conspiracy among these ranking officers to reestablish a Vichy regime in France after the liberation. Discredited generals who caused the 1940 debacle are now said to be in the service of Chambe and Giraud.

(OSS Official Dispatch, Algiers)

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CIA 006697

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Repercussion of the US Press Treatment of De Gaulle ✓

The current "anti-Gaullist newspaper campaign" in the U.S. is causing concern to Tixier, Monnet, and Bonnet. They feel that this campaign has caused De Gaulle to tell Tixier that he would resign because it is his own personality which is preventing recognition and union. Tixier and Bonnet believe that De Gaulle's resignation would be the final blow to remaining cordial relations; and Monnet thinks it would make De Gaulle a martyr.

(OSS Official Dispatch, Algiers)

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CIA 006687

By SR APR 3 1975

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Mutiny on Board a Greek Cruiser

An irregular Greek agent is the source of the report of a mutiny involving 15 Communist members of the crew of a Greek cruiser. Arrested after a struggle, the mutineers claimed to be members of the Communist EAM. The Greek Admiralty has adapted a program of cleaning out Communists from all ships. The minister of Marine, Sophokles Venizelos, despite his strong democratic sentiments, is carrying on his fight against the recently reenforced EAM.

(OSS Official Dispatch, Cairo)

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CIA 006687
By SR Date APR 3 1975

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France: Railways in Southwest Alerted ✓

According to secret communications reaching Geneva, July 19, railway services in the regions of Lyons, Chalons, Dijon, Avignon, and Marseilles, have been ordered on the alert by the occupation authorities. Employees and rolling stock are to be in readiness for the transportation of large shipments of material and troops.

Informant declares this data comes from an unimpeachable source. It is the belief of French railwaymen that the alert is to be explained (1) by fear of an invasion in northern France, or (2) German troops replacing the Italians in southwestern France.

(OSS Official Dispatch, Bern)

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Metropolitan France: Socialist Policies

The June issue of Le Populaire (Socialist underground publication) recommends the following joint program for French resistance movements:

1. Affirmation that the new Socialist Party must be the largest party of the France of tomorrow, embracing all elements inspired with "broad human ideals."

2. The Party claims that public opinion favors a provisional government headed by De Gaulle. After liberation the French will make their choice.

3. To wait for elections, however, before taking action in political, social, and economic fields with a view to nationalization of public utilities, banks, etc., is dangerous. In the international field, all new progressive measures must be coordinated in the "world political and economic community."

4. The Socialist Party is opposed to a vengeful peace at the expense of the German people, though it is admitted that the young "monsters" created by the Nazi Party must be brought back to the right path by education.

5. The full effect of the victory of democracy must be brought home to Germany. The Junker estates must be socialized, popular revolution aided, heavy industry "suppressed," the German military establishment destroyed. But German territorial unity must be respected, and a federal regime set up from which the Prussian spirit will be excluded.

6. The Socialist Party cannot conceive of an international community unless it has the loyal collaboration of the Soviets. The Socialist Party welcomes the dissolution of the Comintern.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Sweden: Military Information; German Morale in Norway

Information is transmitted from Stockholm stating that a Swedish army officer, just returned from the western part of Sweden, reports an "immense" concentration of Swedish troops along the Norwegian frontier. The morale of these troops is extremely high. The informant also said that many secret airfields have been constructed.

A plant engaged in armament manufacture is expanding on a large scale, though progress is hampered by labor shortages. Another plant engaged in producing sheet aluminum has expanded its output despite transportation difficulties.

German troops at Trondheim and other places in northern Norway are reported by Norwegian refugees to be expressing openly their pessimism as regards the war's outcome. German soldiers themselves confirm reports of many suicides among these troops. The soldiers also discuss politics more openly than heretofore.

(OSS Office Dispatch, Stockholm)

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CIA 006687

By SR Date APR 3 1975

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

16 July 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 40

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

John Magruder

John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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Hungary Defines Her Position

A Hungarian who has recently conferred with prominent persons in Hungary, and in whose integrity our agents in Bern have confidence, is the source of the following information:

After Horthy's visit to Hitler this spring and Hungary's subsequent refusal to accede to any German demands, Imredy began a campaign to unite various elements of Nazi sympathizers, and forced the resignation of the anti-Nazi Minister of National Defense, General Nagy, because of certain business indiscretions. Kallay adjourned Parliament to avoid an open incident which might have served to provoke German intervention.

In opposition to Imredy's tactics, a group of 150 anti-Nazis, many of them eminent, was organized in the Hungarian capital. Members could be increased, but anti-Nazi persons of recent conversions are not accepted. The executive board consists of 12 persons, of which informant is a member, and formal meetings are held every Tuesday. An active movement is also under way to form an understanding among farm workers, land owners, etc. Bethlen is prominent in the organization.

Exports to Germany are declining, and revision of export policy is now being studied by Kallay on the ground that the material is needed for the protection of Hungary and that Germany is failing to perform her part. Hungary had an adverse balance of 650,000,000 reichsmarks with Germany for 1942. Of her annual production of between 800,000 and 1,000,000 tons of petroleum, Hungary keeps only 250,000 to 300,000 tons. Hungary is dependent upon Germany for machinery, chemicals, raw materials, and coal coke; her own war industry is not sufficient for the Hungarians to maintain their liberal institutions independent of the "Gleichschaltung" of the Nazis. Hence under Bardossy, Hungary's policy descended to its lowest point, but it has been improving steadily since Kallay came into power in March 1941.

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By SR APR 3 1975

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Bethlen Memorandum: Informant brought with him a memorandum drafted by Bethlen, stating his belief that Hungary would not participate in any Balkan campaign and that no Hungarian troops would be sent beyond the Danube and Drave if Hungary knew that no Yugoslav or Rumanian troops would be sent against her, and that she would not be subjected to aerial warfare. Hungary cannot prevent the passage of troops through her territory, for to do so would precipitate immediate German occupation. But Hungary will do her utmost to prevent German headquarters or any other important military institution from being set up within her borders.

Hungary is prepared to wind up commitments already made and to refrain from entering into new ones, so that, without repudiating any treaty obligations, she would thus attain a de facto state of neutrality, with the provisos that (1) Hungary shall be protected from Russia by the Allies currently and at the peace conference; (2) neighboring countries shall be given no promises at Hungary's expense (as occurred in World War No. 1).

Hungary requests that her views be given careful consideration before terms of peace are laid down, that the interests of other countries not be placed ahead of her legitimate interests, and that opportunity to submit her proposals be given at the proper time and place, (conclusion of memorandum).

Informant said that there are about 80,000 Hungarian troops in Russia, all of them behind the lines, and that the Hungarian Government will do everything to keep them from going to the front. The Russians, he says, have voluntarily sent many Hungarian prisoners, including officers, back to the Hungarian lines.

As to Hungary's prospect of separating from the Axis, source believed that Italy would soon get itself "booted out," in which event the Three Power Pact would no longer exist, and Hungary could claim liberation from it.

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- 3 -

Informant said that in recent months the Hungarians had prevented the use of the railway through their capital for the transporting of any troops, but that it had not been possible for them to prevent the use of railways more to the west.

Informant said that although a German armed putsch against Hungary was not expected, nevertheless Hitler might make such a move since Horthy's unsatisfactory visit with Hitler was not a closed incident so far as the latter was concerned. The Hungarians have refused Germany's demands for Hungarian troops for service in the Balkans. A handful of Hungarian troops, 40 or 50 flyers formerly at an aviation training school in Russia, was sent to France without Hungary's consent. Hungary protested, ordered the troops to take no part in any action, and is trying to remove them from France as expeditiously as possible.

Informant also said he did not expect an early end to German resistance, but thought that lower strata Nazis might try to get out from under when the Germans suffer their next serious defeat.

(OSS Official Dispatch, Bern)

SECRET

Proposed Declaration of Policy by the Yugoslav Government

The following, obtained from an unofficial source, is believed to contain the main points on the Yugoslav Government's proposed declaration of policy:

1. The Yugoslav Government represents a federated Yugoslavia made up of the three peoples as previously.
2. All effort is to be for the benefit of Yugoslavia as a whole.
3. A demand will be made for a greater Yugoslavia, but without specific mention of new territories to be claimed.
4. There will be no mention of the Mihailovich issue, nor of autonomy for the Croats and Slovenes.

The Croat group is insisting on the following amendment to the above declaration:

1. Specific recognition of rights of autonomy for Croatia.
2. A vehement declaration against all who refuse to cooperate for a post-war Yugoslavia.

Up to now the Serb group has refused both amendments. The Croats claim that failure to provide in the budget for a restoration of the constitutional position of the Ban is evidence of Serb unwillingness to contemplate it. The Croats are accordingly upset.

(OSS Official Dispatch, London)

DECLASSIFIED
 By Authority of _____
 CIA 006687
 By SR APR 3 1975

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Trouble in the Greek Army

The OSS representative at Cairo reports that trouble has broken out again in the Second Greek Brigade, seriously compromising the prestige of Minister of War Karapanayotis, who is now in Syria with the King. Causes of discontent are rumored to be (1) annoyance with British interference; (2) demands by the soldiery that Fascist officers be removed; (3) opposition by democratic elements to the King, who is thought to have implied in his recent broadcast that he would return to Greece before elections can be held. Reports are that the Fifth and Sixth Battalions will be disbanded and sent to a concentration camp in Tripolitania.

(OSS Official Dispatch, Cairo)

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By SR Date APR 3 1975

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Italy: Propaganda Suggestions

A reliable source reports that propaganda from America is improving. A reply should be made to Mussolini's statement that there is no way out; a very good way out is getting rid of the Germans. This source recommends reminding the Italian people that Mussolini once said that if he had been in power at the time of Caporetto he would have announced it as a great Italian victory. This is just what he is doing, we might say, at the present time.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

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Italy: Miscellaneous Information

A reliable source provides the information that the raid on Turin (Monday night) created a critical situation. The authorities are having difficulty maintaining control. A similar treatment for Milan is recommended.

Inspectors of the Fascist militia have been sent to Palermo and Sciacca to negotiate with members of the Mafia imprisoned several years ago when Mussolini tried to suppress this semi-patriotic organization. New trials will be granted to those who promise to take part in the defense of Sicily.

(OSS Official Dispatch, Stockholm)

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By SR Date APR 3 1975

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Italy: Opinions and Conditions

According to an Italian source rated A-2, the King of Italy refuses to dissociate himself from the Axis, largely because of his punctilious belief that such an action would be in the nature of a betrayal. Mussolini, this source reports, is ill, but not to the point of incapacity. People in Rome expect an air attack but also believe that a landing on the mainland can be prevented, although they doubt whether Sardinia and Sicily can be held. (This information pre-dates the actual invasion of Sicily). The loss of these islands or the continuation of heavy air bombardment might possibly bring about a leftist revolution, - an eventuation greatly feared in Vatican circles. Popular feeling is more defeatist in the north of Italy than in the south.

(OSS Official Dispatch, Bern)

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APR 3 1975

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Germany: Air Damage at Wilhelmshaven

The OSS representative in Stockholm transmits the following report coming from a reliable source:

Wilhelmshaven has been rendered nearly worthless as a naval base by RAF night bombing and extremely accurate Eighth Air Force daylight raids. The harbor is no longer useful because of the destruction of installations and arsenals. Submarines formerly based on Wilhelmshaven have been shifted to Wesermünde, appropriately dispersed for protection against air attack.

(OSS Official Dispatch, Stockholm)

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CIA 006687

By SR Date APR 3 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

10 July 1943

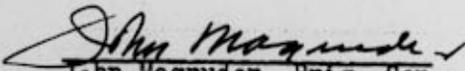
TO: Col. Chester Hammond, White House Map Room

FROM: John Magruder, Brig. Gen.

SUBJECT: Reports Received in Office of Strategic
Services, No. 39

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

Enclosures

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CIA 006687

By SR Date

APR 3 1975

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German Plans in Italy

According to a source of unknown reliability, who claims to have derived his information from the very highest Italian circles, the Germans do not plan to hold Sardinia, Sicily, or Calabria for any length of time in the event of an Allied invasion. They would, however, try to hold the Naples area and are resolved at all costs to hold Tuscany and the Po Valley, in which regions they are making tremendous defensive preparations. The Germans, moreover, plan to suppress any Italian revolt ruthlessly and at once, and have accumulated large stocks of flame throwers, tanks, and other weapons with which to do it: they are quite prepared to treat the Italians as they would an enemy. The failure of Italians to respond to President Roosevelt's recent statement was because of the thoroughness of German preparations.

This source believes that the Italian royal family is powerless, and that it would probably accompany the Italian and German armies in a withdrawal to the north should the Allies successfully invade.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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WAS

Germany: Growing Anti-Prussianism

The OSS representative in Bern has received evidence from various sources considered reliable pointing to a growing anti-Prussian feeling, especially in Wuerttemberg, Bavaria, and Austria. He believes that this should be exploited by stressing the influence of the Berlin bureaucracy, the policy of sacrificing troops from non-Prussian areas, and the generally disastrous effects which have resulted from destroying the individual German states and Prussianizing all Germany.

(OSS Official Dispatch, Bern)

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By Authority of _____

CIA 006687

By SR APR 3 1975

Greek Government-in-exile

The King of Greece has left Cairo for a week to inspect his army in Syria. Plans are still being considered for bringing political leaders out of Greece so that their inclusion in the pre-invasion cabinet might represent all shades of anti-Nazi Greek political thought. As a result of cabinet deliberations, the King's radio address to his people (July 5) omitted a statement, as originally drafted, that the King would travel with the British GHQ when they occupy Greece. Likewise deleted was a sentence implying that the King himself would arrange the elections which would embody the ultimate decision of the people.

(OSS Official Dispatch, rated reliable, Cairo)

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CIA 006687

By SR Date APR 3 1975

A London View of the French Situation

1142

London currently views French affairs with relative optimism. The military compromise, which at first was considered most unsatisfactory, now looks better. The dissolution in North Africa of the Parti Populaire Francais and Boisson's resignation have helped to reconcile De Gaullists in London. The National Committee of Liberation is looked upon as exercising a truly corporate responsibility.

The hysterically De Gaullist newspaper MARSEILLAISE has been suppressed by withdrawing its licence. This action, decided on two weeks ago, is as much due to British initiative as to American pressure. The British think it will not offend the majority of the Fighting French, but protests will be eloquent and loud from the uncompromising and irreconcilable faction which has been working for a De Gaulle dictatorship. This group is rabidly anti-American and almost as violently anti-British, and no possible concessions could have won them over. Fortunately they are not represented on the National Committee of Liberation.

Hostility to the Allies could be increased dangerously only through the mishandling of such De Gaullists in power as Pleven, Diethelm, and Philip. The average Fighting Frenchman still feels rather touchy about Allied intervention in French affairs. The effect of the blow to their pride when Eisenhower forced De Gaulle back into the French National Committee is slowly wearing off, however. All but the most uncompromising extremists could be reconciled by admitting the National Committee to Allied councils.

The Lorraine Cross banner still flies in London more often than the plain Tricolor, despite the dropping of Port Parole De la France Combattante by BBC. But moderate Frenchmen in London say that compulsory conformity of the African French and Fighting French is both inevitable and desirable. They rightly maintain, however, that the process should not be hurried.

(OSS Official Dispatch, London)

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APR 3 197

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WJ

The Polish Government-in-Exile: Sikorski's Successors

The OSS in London transmits a report from a Polish labor source that Mikolajczyk will succeed Sikorski in his political capacity, as part of a trade by which General Kazimierz Sosnkowski (born 1885) will be appointed Commander-in-Chief, thus succeeding Sikorski in his military capacity. The Polish Labor party is not pleased at Sosnkowski's appointment, for he is a former Pilsudski man, a reactionary, and an ultra-nationalist.

(OSS Official Dispatch, London)

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CIA 006687

By SR Date APR 3 1975

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

July 6, 1943

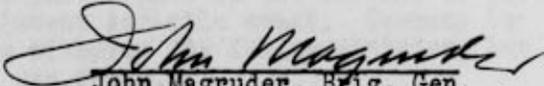
TO: Col. Chester Hammond, White House Map Room

FROM: John Magruder, Brig. Gen.

SUBJECT: Reports Received in Office of Strategic
Services, No. 38

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.


John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687
By SR Date APR 3 1975

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German Plans to use Satellite Troops for Balkan Defense

A. Bulgaria.

An intense Axis sabotage drive is being inaugurated. The German High Command has given the Bulgarian High Command the option of placing Bulgarian troops in Serbia and Macedonia under German command, or their replacement in the defense of the Balkans by German troops. In principle the Bulgarians prefer the first alternative with the provisos that Bulgarian troops be used only as defenders of territory occupied by Bulgaria, and that German authority over the Bulgarian army be clearly fixed. These issues remain unsettled despite a movement of Bulgarian troops into Montenegro. By agreement with the Germans, the Italians are withdrawing. The Bulgarian troops have encountered no resistance, and the Germans are waiting to see if they will fight when they do encounter it.

B. Hungary.

On June 11, at the time the above demand was made on Bulgaria, Hitler demanded that Horthy send Hungarian troops to participate in the defense of northern Croatia and the adjacent Adriatic coast. Germany is still intriguing to withdraw the Kallay ministry, but has not yet decided to use force.

C. Rumania.

General Hansen, German general staff representative with Antonescu, also received secret instructions to demand Rumanian token troops for police duty in Slovenia and northern Serbia. While the Germans do not plan to use these troops, Rumanian agreement to provide them would be used by the Germans as pressure on Hungary.

(OSS Official Dispatch, reliable, Bern)

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By SR Date APR 3 1975

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Morocco: Axis Sabotage

An intensive Axis sabotage drive is being inaugurated in Morocco, through the poorly-guarded Spanish border zone. It is believed that such a drive could not be carried out without assistance from the French and the natives. In Morocco anti-American feeling is steadily mounting, and it is alleged that only a strong policy against our enemies in North Africa, namely French Fascists, in and out of uniform or office, can stop this sabotage of morale and materiel from spreading.

(OSS Official Dispatch, Algiers)

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CIA 006687

By SR Date APR 3 1975

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French North Africa: Nogues Rumors

The OSS representative in Algiers reports that extensive and harmful rumors are flying to the effect that Nogues will travel to Vichy from Portugal. Inasmuch as the French are afraid that Nogues is aware of invasion plans, recent anti-American feeling is enhanced by further rumors that it was American intervention which aided him in obtaining an exit visa from North Africa.

(OSS Official Dispatch, Algiers)

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CIA 006687

By SR Date APR 3 1975

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Italy: Military Information, etc.

The OSS representative at Bern transmits the following report secured from reliable sources:

Total German strength in Italy is 12 divisions, about 200,000 men, distributed roughly as follows: Rome area - 1; Puglia - 1; Northern Italy - 3; Naples area - 1; Tuscany - 3; Sardinia - 1 division and part of a second; Sicily 1 division and part of another*. Headquarters are at Grosseto and at Poggibonsi near Florence.

The sources believe that the major German defense here will be Spezia to Rimini. In general the Italians believe that the Allies will attempt a landing in the region between Ostia and Grosseto.

An allied attack on Bari a fortnight ago destroyed many German planes on the ground. Italian anti-aircraft defense was so poor that the Germans believe that their own planes were shot at.

During the past two months it is estimated that there have been 10,000 political arrests.

(OSS Official Dispatch, Bern)

* Competent analysts in Washington believe that there are at least two full German divisions in Sicily. It is believed that while the total number of German troops is roughly accurate, the divisional strength of 12 is high.

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CIA 006687

By SR Date APR 3 1975

Greece: Future Policies of the Government in Exile

The following report transmitted by the OSS representative in Cairo comes from a reliable source:

Some modifications have been observed in British policy with regard to the Greek King. The British have succeeded in getting the King to make a radio address to Greece in which he will state that he will accept the resignation of the present government when he arrives in Greece. The King will then form a new government made up of the heads of all political parties. Within six months of the formation of this new government, free elections will be held for a representative parliament. The King will accept the decision of this body on the type of regime for the country.

In both Greece itself and in Cairo the prestige of Prime Minister Tsouderos has fallen. There are plans for his replacement.

(OSS Official Dispatch, Cairo)

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By BR Date APR 3 1975

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Italy: State of Mind of the Anti-Fascists

Anti-Fascist opposition groups have apparently not settled on a single leader. Sforza's authority, since his oscillation on the question of the monarchy, is recognized less than ever.

President Roosevelt's recent statement about Italy strengthened the moral position of the democracies among anti-Fascist Italians because his remarks are interpreted as destroying the illusion of a separate peace sponsored by the Vatican and by certain Fascist elements.

Anti-Fascist interest centers on the type of transition regime likely to be imposed on a defeated Italy by the United Nations. The opinion is that if freedom of action is left to anti-Fascist groups they will be strong enough to liquidate the remnants of Fascism. The industrial crisis which will occur in the interval after Germany ceases to supply a defeated Italy with raw material, and before the Allies are able to do so, may actually be providential. The effort to bolster heavy industry in Italy by artificial means has been a dead weight on Italian politics and economy. Abandonment of such efforts would constitute a relief for the Italians and provide a better basis for economic collaboration with the democracies at the peace table and after than has heretofore existed.

(OSS Official Dispatch, reliable, Bern)

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CIA 006687
By SR Date APR 3 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

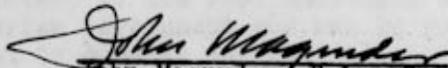
~~SECRET~~

2 July 1943

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 37

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.



John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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is no one else of any importance to the Government which will support the existing government. It understands that Britain has received the idea of a federation between Hungary and Romania which would include an autonomous Transylvania. (Another OSS agent says this idea seems to be gaining ground among the Hungarians. Source believes that Austria is ripe for German-German federation membership.)

(One official dispatch, Peru.)

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CIA 006687

By SR Date APR 3 1975

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Hungary: Policy and Political Situation

An excellent Hungarian source transmitted the following report to the OSS representative in Bern:

Hungarian troops are not being sent to Greece or Bulgaria and, unless the Nazi putsch occurs, will not be. Kallay definitely refused Imredy's demand for such troops at a recent meeting of the Foreign Affairs Committee of the Lower House in Hungary. Kallay further told the Committee that if Anglo-American troops entered the Balkans and reached the Danube, Hungarian troops would not oppose them.

Hungarians are nervous over possible German occupation, but the source believes that the Germans have deliberately spread rumors of this in the hope of making the Hungarian Government more pliant, and doubts that the threat is real. He considers Kallay an artful dodger and the type needed now, but not a man to be considered for the future. Francis Keresztes-Fischer, Minister of the Interior, is the real anti-Nazi of courage in the Hungarian Government who can be relied upon to do his utmost to counter any Nazi plans. The source also puts great hopes in Baranyi, and further says that although he disagrees with Bethlen politically, there is no one else of adequate caliber to lead the anti-Nazi Government which will succeed the existing government. He understands that Bethlen has revived the idea of a federation between Hungary and Rumania which would include an autonomous Transylvania. (Another OSS agent says this idea seems to be gaining ground among the Hungarians). Source believes that Austria is ripe for Danubian Confederation membership.

(OSS Official Dispatch, Bern).

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CIA 006687

By SR Date APR 3 1975

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Germany: Future Military Plans and Weapons

The source for the preceding item, also reports the following concerning German military plans:

Having recognized their inability to defeat the Allies, the Germans now base their plans on hopes of wearing down their enemies, and are concentrating on building large quantities of new type submarines and long-range guns. These will be ready in September, and a campaign of destruction will then be loosed. It will be possible to shell London from the French Coast with the new guns which are of the 1918 Big Bertha type, but 28 shells each will be their firing ability. Source claims the Germans also plan to use rocket guns. The new submarines are to be less vulnerable because constructed to resist water pressure at great depth.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 3 1975

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Status of French Fleet at Toulon

According to a reliable report transmitted by the OSS representative at Bern, the French fleet, excepting the destroyers of the Volta type, and the torpedo boats of the Hardi type, is destined for demolition. This includes the Strasbourg.

The following vessels are being repaired and will probably be ready to join the Italian Navy in four months: The minesweeper, Impetueux, the torpedo boats, Chamois, Sonniere, Thegallis, and Jean de Vienne. The source believes that the only vessels of any importance are the Volta and Hardi types, and he doubts if even these are of great value.

(OSS Official Dispatch, Bern)

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By SR Date APR 3 1975

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France: The High Cost of Living and the Flight of French Workers

Inasmuch as skilled labor wages in France are a scant 2,000 francs a month and the cost of living for a family of four is over 3,000 francs, many French families are doomed to slow starvation, according to a report received by the OSS representative in Bern. In consequence, dire necessity forces workers to labor in Germany, and therefore Allied radio appeals to workers are ineffective. Such appeals, this source believes, should be addressed to employers and should urge increased wages in order that French workers may continue to resist.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR APR 3 1975

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Success of Air Raids on Greece

According to an OSS official dispatch from a source rated as reliable, the raid by the Ninth Bomber Command on the Sedes airport near Salonika produced astonishing psychological results in Greece, in spite of the fact that some Greek civilians were killed (as were also two Nazi generals). The Germans were completely surprised, and air alarms were subsequently sounded in both Bucharest and Budapest. The raids of June 24 on the airports of Athens were likewise extremely successful.

(OSS Official Dispatch, Cairo)

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CIA 006687

By SR Date APR 3 1975

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French Morocco: Disappointment over De Gaulle's Failure

The OSS representative at Casablanca transmits the following report, the import of which is not altogether clear:

Leaders and intellectuals are disillusioned in De Gaulle, and by De Gaulle's failure. However, the masses are in a resentful mood, and this feeling may turn into violence against Giraudists, Royalists, and Cagoulards who fled to Casablanca when De Gaulle arrived in Algiers. The general's failure has turned the hopes of French patriots, also called De Gaullists and Republicans, into profound disappointment.

(OSS Official Dispatch, Casablanca)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

24 June 1943

WST

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 36

Submitted herewith are some additional
items received from our secret sources abroad.

Unless otherwise indicated, the items of
information submitted herewith are reports just as
received from agents and have not been evaluated
as to degree of reliability other than as stated.

John Magruder

John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

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CIA 006687

By SR Date APR 2 1975

Spain: Petition to Restore the Monarchy

An OSS cable from Madrid reports that the son of the Conde De Los Andes was arrested on June 16 for requesting additional signatures for a monarchist manifesto. He will be sent to the Canary Islands. The first signature on the Manifesto was that of the Duke of Alba. An important Catalan industrialist named Ventoso was also reportedly arrested. Franco is said to be extremely angry over these plots and the press has reverted to its former Falangist tendencies after exhibiting surprising neutrality during the past week.

(OSS Official Dispatch, Madrid)

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CIA 006687

By SR Date APR 8 1975

Italy: Peace Sentiment

OSS in London has secured the following report which it believes comes from a source of high standing:

According to the report, a high Italian official, visiting a neutral country early in June, said to a British friend that the average Italian is fully aware of the failure of the Fascist regime and that it must go. However, the general apathy rules out revolution at present. Axis propaganda is capitalizing on "Unconditional Surrender," though it has failed to arouse hatred for the British. Mussolini stands for a fight to the finish, but Ciano, Grandi, and Pavolini, not sharing this view, are relegated to the background.

Allied military action, according to the source, could be achieved with little destruction and loss of life if the opposition could be encouraged by Allied adoption of an attitude which would save face for Italy and insure economic survival.

An important Italian business man in Portugal has given OSS in London views very similar to the above and secured from an Italian diplomat.

(OSS Official Dispatch, London)

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CIA 006687

By SR Date APR 3 1975

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North Africa: A Gaullist Report on the Situation

According to Colonel Billotte and other Gaullist sources believed by the OSS representative to be trustworthy, all Gaullist troops will be moved from Tunisia into Tripolitania by British orders in the first instance. General Larminat, who has been the commanding officer of the Fighting French forces in Libya, opposed the order on ground that the fusion of French forces was imminent and that these troops were eager to set foot again on French soil. Larminat, however, complied after it had been stated by the High Command that the move was required by military exigencies.

The same sources aver that De Gaulle and Giraud have been told by the High Command that the prerogatives of General Giraud must likewise be maintained intact because of military considerations. However, these sources allege that these orders will not prevent incidents, or stop French troops deserting from Giraud, since the troops will not obey officers in whom they have no faith and whom Giraud refuses to remove. The sources express bewilderment that arms are given to troops led by officers whose pro-Allied sentiments are lukewarm. Off the record they say that the arms issued these troops will lead to the departure of the Allies from Africa, rather than of the Germans from France.

(OSS Official Dispatch, Algiers)

DECLASSIFIED
By Authority of _____

CIA 006687
By SR Date APR 3 1975

Security Measures Needed in Southwest Africa

Walvis Bay and Swakopmund are full of admitted Nazis, and the security situation there is very bad, with disastrous consequences in ship sinkings. Reliable sources report that the Civil Administrator for Southwest Africa, Botha, is a member of the Ossewa-Brandwag. Proclaiming Walvis Bay a closed military zone is recommended.

(OSS Official Dispatch, Capetown)

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By Authority of _____

CIA 006687

By SR Date APR 3 1975

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North Africa: French Army

The OSS representative in Algiers has cabled information concerning contentions for leadership and control of the French Army in North Africa. De Gaulle left one recent meeting of the French Committee for National Liberation specifically in order to forestall discussion of the Army's command. The OSS representative stated that while De Gaulle has a strong patriotic following he cannot command allegiance of the French North African Army; the representative believes, however, that the Army would continue to fight well under Giraud's generalship. A further problem in the French military situation is De Gaulle's insistence that the French Army in North Africa is independent of the Allied High Command there; he continues to treat the Theater Commander as an alien in French territory, having no authority over the French Army. General Eisenhower has participated personally in negotiations with the French leaders to maintain the original Giraud agreement bringing French North African forces under the Allied Command.

(OSS Official Dispatch, Algiers)

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By Authority of _____
CIA 006687
By SR Date APR 3 1975

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Morocco: Friction between French and Americans

Reliable reports state that friction has developed between the French and American military in Morocco because of the large number of German prisoners escaping from trains. Unfortunate incidents have occurred and feeling is running high. It is alleged that there have been proven cases of American carelessness in guarding prisoners. Also Americans with authority to handle prisoners have been accused by the French of too lenient treatment of prisoners.

(OSS Official Dispatch, Algiers)

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By Authority of _____

CIA 006687
By SR Date APR 3 1975

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Italy: German Military Preparations; Anti-Fascist Movements

A source rated by OSS as excellent reports that the Nazis are increasing their strength in Italy. There are approximately eight divisions in Umbria and in the North, while preparations are under way for a large encampment between Vicenza and Verona.* The Nazis are moreover supplying arms for a motorized division of Blackshirts, thus introducing into the Italian Army the principles of German SS organization. A rumor is circulating to the effect that the Germans are moving into Italy about 600 additional planes.

The same source believes that reiterated broadcasts of President Roosevelt's recent statement will be most helpful; the information he conveys suggests the conclusion that underground anti-Fascist organizations in Italy are making real progress in spite of frequent arrests.

(OSS Official Dispatch, Bern)

*OSS analysts believe that perhaps half this number of German divisions may be going to Italy.

DECLASSIFIED

By Authority of _____

CIA 006687

By SR Date APR 3 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

22 June 1943

WAL

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 35

Submitted herewith are some additional
items received from our secret sources abroad.

Unless otherwise indicated, the items of
information submitted herewith are reports just as
received from agents and have not been evaluated
as to degree of reliability other than as stated.

John Magruder
John Magruder, Brig. Gen.

Deputy Director, OSS -- Intelligence Service

Enclosure

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CIA 006687

By SR APR 1 1975

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Mutiny in French Garrison at Fez



It is reported that a recent mutiny of the French garrison at Fez was sufficiently serious to receive the attention of the Command at Algiers. It is alleged by the informant that the incident emphasizes the need for a cleanup of superior French officers. A large part of the Fez garrison accused their officers of being collaborationist, and of forcing the men to sing: "Marechal nous voila." Consequently the men refused to serve under them. According to the source's information, the soldiers' charges will be confirmed in the report of the investigating officer. The commanding general, well-known collaborationist, has little sympathy for the Allies.

(OSS Official Dispatch, Algiers)

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CIA 006687
By SR Date APR 1 1975

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North Africa: French Army Defections

The OSS representative in Algiers cables that the Chief of Staff of the French Army has arrested several hundred deserters who had refused to rejoin their units and gathered at the De Gaullist camp in Ruiba, near Algiers. This incident follows General Larminat's refusal to withdraw his forces from Tunisia to Tripoli. The OSS representative describes the situation as tense, with the possibility of serious military disorder.

(OSS Official Dispatch, Algiers)

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By SR Date APR 1 1975

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De Gaulle and Giraud: Harmony Impossible?

The OSS representative in Casablanca sends the following reliable report: ✓

It is almost uniformly believed in Casablanca that it will be impossible to bring harmony between De Gaulle and Giraud. Although De Gaulle's strength is admittedly increasing, the appointment of an American or a British Commissioner is anticipated. Influential French circles in Casablanca have learned that De Gaulle recently tendered his resignation from the Army and requested appointment as Civil Chief thus outranking Giraud. De Gaulle changed his mind under the influence of Georges and Catroux who fear the scandal of disunity.

(OSS Official Dispatch, Casablanca)

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By SR Date APR 1 1975

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Hitler and Hungary

The following view is submitted by a well informed source:

Because he believes that they continue to trick him and refuse to carry out anti-Jewish measures, Hitler is furious with the Hungarians. He is considering how to proceed against them, such a move being (he fears) unlikely to work out without the support of Horthy. Hitler considers Imredy too weak to be effective without actual German military backing, but if the Regent could be won over, Hitler could force the ouster of Kallay and move against "Hungarian traitors." There are rumors of a possible putsch in Hungary, though the Regent will remain firm unless Germany resorts to military force, according to the best information available.

(OSS Official Dispatch, Bern)

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By SR Date APR 1 1975

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Germany: Hitler's Military Planning Technique

The following is submitted as a view worth consideration from a well informed source: ✓

No general staff planning is permitted by Hitler. The several sectors are handled as if they were separate, with reports being made to Hitler and his personal organization. This consists of Jodl and Keitel, who are described by the informant as thoroughly incompetent. Hitler still gives the orders, and ran the Tunis campaign.

While some coordinating is done on the Eastern Front by Zeitzler, who is second rate, even this front lacks a unified plan involving a coordination of air, land, and sea operations. For example, the failure to evacuate Stalingrad was partly due to Hitler's acceptance of Goering's statement that the GAF could provision the city until spring. The competent air force heads were never consulted.

According to the informant, the best German generals today are Von Kluge and Mannstein, but he doubts whether any are courageous enough to correct the situation described above, especially since Hitler keeps the generals apart.

(OSS Official Dispatch, Bern)

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By SR APR 1 1975

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Germany: Morale, and Conditions

The following information was supplied by a reliable source:

The greatest recent blow to German morale was not Tunisia, which was expected, but the falling-off in U-boat sinkings, which was not anticipated.

Short of scrap iron, Germany is taking from France, against Laval's will, all machinery not vital for French military production. Bomb damage is said to have reduced the Ruhr iron and coal output from 20 to 30 percent.

A further reduction in the meat ration is to be anticipated in the near future.

(OSS Official Dispatch, Bern)

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Italy: Conditions: Morale; Propaganda Suggestions

The following opinions and suggestions have been made by an Italian source of information:

Propaganda beamed to Italy should not limit itself to attacks on actual Fascist leaders, but also include fellow travellers who have profited from Fascism in the past and are attempting to capitalize on the present situation. On the other hand, there should be no attacks on the Church.

Propaganda should insist that if the revolt of the Italian army should be delayed longer, the military should be considered responsible for the ruin of Italy. A growing section of the army has lost faith in the monarchy.

It is probable that in extremis the King will attempt to save the monarchy by eliminating certain Fascists and by leaning on the army. Anti-Fascists, however, oppose the monarchy because the intellectual and moral bankruptcy of the King and his probable successor is notorious in Italy. The people are losing their loyalty to the House of Savoy. Accordingly, propaganda should emphasize the subservience of the Monarchy to Fascism.

According to this informant, it is regretted in Italy that Allied propaganda has not been inspired by the anti-Fascist views outlined above. Anti-Fascists in Italy, believing that vague declarations are no longer sufficient, want to see a firmer and clearer stand taken.

Developments in May showed a growing opposition to Fascism in Italy, especially in Lombardy, Piedmont, Venice, Liguria, and Rome. Elements of the army and fleet are participating in the opposition, and the conviction that the war is lost is general. In their extremity the Fascists are resorting to Terrorist methods, and are purging the police and party of moderate elements.

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The economic situation grows worse, particularly in the large cities. There is a growing disorganization of public services and transport. Mussolini, still tied to Hitler, is an object of general scorn.

(OSS Official Dispatch, Bern)

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Southern France: German Troop Concentrations

It is indicated in all reports received by the OSS representative during recent days that there has been a substantial reduction in the concentration of German troops in the Pyrenees area. Certain divisions have been withdrawn from this region northward; at least one has travelled eastward to northern Italy via the Riviera. Latest reports indicate that there are five divisions or parts of divisions, and two divisions staffs as well as a few small elements between Bayonne and Perpignan. Two of these divisions are mixed or motorized. ✓

(OSS Official Dispatch, Bern)

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APR 1 1975
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Italy: Shipping ✓

The OSS representative in Lisbon has the following report from a very reliable source:

As of June 3 at Genoa the transformation of the liner Augustus into an aircraft carrier had been nearly completed.

Two large torpedo boats and a French cruiser under repair and flying the German flag are near Pont Caraciola.

About 20 French ships flying the German flag have recently arrived at Genoa from Marseille and Tunis.

(OSS Official Dispatch, Lisbon)

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By SR Date APR 1 1975

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Italy: Estimate of Morale

An OSS representative in Bern sizes up Italian morale as follows:

Most Italians believe the war is lost and, disliking the Germans, they want to find a way out. They feel, however, that before they can get out with self respect, they must do something to reestablish their honor. Moreover, they want to surrender to patently overwhelming forces after "valiant" resistance against the inevitable. They feel this way because they are held in scorn by the Anglo-Saxon world (whose friendship and respect they fundamentally desire) on account of the treacherous attacks on France and Greece. They try to dissociate themselves from the whole situation by saying that it is Mussolini's private war. This complex of emotions has made Italy a psychopathic case.

The foregoing analysis is not applicable to the numerous hopelessly compromised Fascist officials and their hangers-on. These will continue to cling to the sources of their power -- Mussolini and the German alliance -- as long as possible. For them it is too late to expect Allied forgiveness.

In the Navy and the Army, reportedly substantial elements would willingly follow a strong anti-Fascist leader if one came forward, especially if the Crown supported him. But both contingencies are unlikely, especially before actual invasion.

An invasion would probably be rather sharply opposed at first, but once Italian honor had been "vindicated", such opposition might collapse with surprising suddenness -- the time depending only upon the extent of military stiffening by the German forces. According to our source, a month ago Germany had no intention of sending much help for the defense of Sicily, Sardinia or southern Italy. But recently reports indicate a change of attitude, and a substantial strengthening of German forces in these places.

In the south, anti-Anglo-Saxon feeling apparently was somewhat stiffened as a result of air raids on Grosseto, etc., and of widely disseminated propaganda about "deliberate" machine-gunning of women and children.

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By SR Date APR 1 1975

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The use of French troops in the initial attack on Italian soil is considered unwise by all sources.

(OSS Official Dispatch, Bern)

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*Hold for the
President*

Italy: Reaction to President's Appeal

The OSS representative in Bern reports from advisers recently returned from Italy that the distinction drawn by the President between the Italian people and the Fascist regime, in his recent statement inviting Italy to oust Fascism, had great psychological effect. The OSS representative is exerting every effort to further dissemination of the speech in Italy, and believes that its theme should be the subject of constant radio broadcasts and of pamphlets to be distributed from the air.

(OSS Official Dispatch, Bern)

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CIA 006687

By SR Date APR 1 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

June 16, 1943

WAB

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 34

Submitted herewith are some additional
items received from our secret sources abroad.

Unless otherwise indicated, the items of
information submitted herewith are reports just as
received from agents and have not been evaluated
as to degree of reliability other than as stated.

John Magruder

John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

Enclosure

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CIA 406687

By SR Date APR 1 1975

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Giraud and De Gaulle

The following developments are reported by reliable informants:

De Gaulle's staff alleges the following 2 reasons for the general's resignation from the Council Wednesday:

1. Giraud's refusal to implement the Council's agreement to change army chiefs; and to fulfill his promise, made at the time of Churchill's visit, to remove Bergeret, Mendigal, Michelier, etc.

2. During discussion last Tuesday and Wednesday on army reform and leadership, Giraud stated that he would not subordinate the army to the Council, and that the army must remain under his command. De Gaulle on Thursday refused to discuss the matter with Giraud privately, nor was he present at the stormy session on Friday when the subject was discussed. All members, including Monnet, opposed Giraud and Georges. De Gaulle remains inflexible on the subject of the removal of the Army and Navy chiefs. Nogues still functions in Morocco, even though his successor has been nominated.

The above report is confirmed substantially by Monnet himself. Our informants regard Giraud as stubborn and weak about the removal of high personnel, while they say that De Gaulle is unquestionably difficult and impatient. He feels he cannot work with such personnel without compromising his support in France. Actually each general wants to secure control for himself; both are resisting civilian control of the committee.

In the light of the allegations in paragraphs one and two above, the following facts are important, according to informants in Algiers:

1. Both Catroux and Churchill asserted that it is De Gaulle alone who now blocks French unity through his insistence on his personal control of all the French armed forces. Giraud accepts the collective authority of the central committee.

2. If De Gaulle persists he will split his own camp, losing Catroux and perhaps Massigli. Catroux has said French unity has suffered long enough from De Gaulle's intransigence.

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3. The Theatre Command must include not a private army, but a French army. The Allied war effort is suffering from De Gaulle's insistence on control of the Committee and from his defiance of allied agreements.

According to the report of a member of the Catroux mission, De Gaulle has not withdrawn his resignation though the Council proceeds as though it had never been proffered. The Council Meeting on June 11, minus Georges and Giraud, displayed an attitude of conciliation toward De Gaulle.

(OSS Official Dispatches, Algiers)

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Air Raid Damage at Bordeaux; German Defensive Moves in France

The OSS representative at Madrid sends the following report, rated B-2:

1. The May 1st raid on Bordeaux blew up a lock containing four submarines. There was considerable damage to installations in the vicinity, and several witnesses report that over a thousand Germans and Italians were killed. Despite large casualties among themselves, the French were pleased with the results.

2. An attache of the German embassy secretly approached a surgeon, formerly attached to the Blue Division, with a request for help in the selection of doctors trained in chemical warfare. These were to be sent to Russia during June.

3. The OSS representative in Bern has been reliably informed that except for some movement from the Pyrenees area northward, thence east and west, it is difficult to obtain any clear picture of German movements in France. Defenses in Brittany and along the channel coast are being strengthened.

(OSS Official Dispatches, Madrid and Bern)

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By SR Date APR I 1975

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French Policy Toward Tunisian Arabs

OSS has received reports from official sources critical of French policy with regard to the Arab population in Tunisia. These sources believe that the French returned to Tunisia as conquerors, rather than as returning representatives of the country. The Arabs are holding the Allies responsible for a reign of terror with forced labor, torture, and arbitrary arrests. The result has been to weld the Tunisian natives into a firm union against the French.

(OSS Official Dispatch, Washington)

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By SR Date APR 1 1975

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Rumania: A Suggested PW Policy

The strongly pro-allied sentiment of the majority of Rumanians has been kept in check by the present government's pretest that an allied victory means partition of Rumania. One well placed observer believes it vital to the Allied cause in Rumania that we make a declaration to Rumania comparable to those already made to Italy. The line should be that if Rumania changes her present policy, she can hope for more generous treatment at the peace conference. If we could suggest that London, Washington, and Moscow had agreed on their intentions toward Rumania, and favored a re-examination of the Transylvanian question, a great contribution would be made towards a prompt transformation of Rumania's present policy.

(OSS Official Dispatch, Bern)

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By SR Date APR 1 1975

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Tangier: Panic Among Italian Population

According to information from a creditable agent, the Italian colony is practically in a panic over the easy allied victories in the islands. The fall of Pantelleria had terrific repercussions, and it is generally believed that Sicily's turn is next. The people both here and in Italy are sick of the war. It is continued only by those whose heads will fall with allied victory. Since the masses feel they have nothing to lose, even the anti-communist propaganda is ineffective.

(OSS Official Dispatch, Tangier)

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CIA 006687

By SC Date APR 1 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

June 11, 1943

WA

TO: Col. Chester Hammond, White House Map Room
FROM: Col. J. R. Forgan
SUBJECT: Reports Received in Office of Strategic
Services, No. 33

Submitted herewith are some additional
items received from our secret sources abroad.

Unless otherwise indicated, the items of
information submitted herewith are reports just as
received from agents and have not been evaluated
as to degree of reliability other than as stated.

J. R. Forgan
J. R. Forgan, Colonel, G.S.C.

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CIA 006687

By SR Date APR 1 1975

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Heavy Axis Attack in Yugoslavia

The OSS representative in Cairo transmits the following information, all of which came from good sources:

1. German and Italian troops opened attacks on the Partisans in Eastern Bosnia and Montenegro on May 23-24. This is the first time that Germans have entered Montenegro. The German Air Force is cooperating. This report is confirmed from other sources which predict an attack also in Croatia. Thus far the Partisans have successfully held.

2. Enemy strength consists of 9 Italian and 6 German divisions in Croatia; 3 Italian and 8 German divisions in Bosnia and Montenegro. Total: 200,000 troops, aided by the Pavelich army of 35,000 Ustashi, and 15,000 Nedich Chetniks equipped and led by the Axis.

(OSS Official Dispatch, Cairo)

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CIA 006687

By SR Date APR 1 1975

Croatia: German and Italian rivalry

It is reported from reliable sources that the Germans have made advances to General Kwaternik, former Croatian War Minister, in order to use him against Pavelich in case the latter decides to follow Italy out of the war.

(OSS Official Dispatch, Bern)

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CIA 606687

By SR Date APR 1 1975

Germany: Military Measures

From Bern come the following items of intelligence originating with a reliable source:

1. The Germans have abandoned the project of building a submarine base near Toulon, but are pushing similar construction at La Aspretta in Corsica and La Ciotat near Marseille.
2. Before the end of the Tunisian campaign about 9,600 Axis troops left Tunisia, nearly all of whom were Germans. The majority reached Pantelleria, and their arrival has tightened the food situation there; the Italians hope to evacuate these African forces to Italy.
3. Allied bombing of German industry has reduced production by 15-20 percent*. At present Germany is able to produce about 25 submarines and 2,000 aircraft of all types a month. The major part of the Krupp works is being transferred to Breslau rather than rebuilt at Essen. The German Army is preparing for the use, as a last resort, of a new brown vesicant gas. Large quantities of this gas are being sent to the Eastern Front.

(State Dept. Cable, Bern)

*OSS analysts regard this estimate as being much too high.

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APR 1 1975

Union of De Gaulle and Giraud

The War Committee, to which in first instances disputes arising within the French Executive Committee are to be referred will comprise De Gaulle, Giraud, Massigli, Phillip, Monnet, and possibly Georges.

Until the arrival of Bonnet, Perrier will serve as Secretary of Information. At present there is a controversy over the Ministry of War. There are many demands for a civilian minister, but Macmillan is reported to believe that the job should go to De Gaulle.

(OSS Official Dispatch, Algiers)

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CIA 006687

By SR Date APR 1 1975

The Union of Giraud and De Gaulle

As Monnet explains it, the difficulty in forming the new French Committee is to find a formula permitting two chiefs to control affairs successively. In case of dispute, reference will be had first to the War Committee, then to the full committee, and finally to a committee of 60 members which is yet to be formed.

In spite of minor frictions and factions, Monnet is optimistic about ultimate fusion. De Gaulle has not requested Giraud to renounce the military command, and there is no question of the continued existence of two armies.

Because Giraud's faction lacks vigorous and uncompromised personalities, the Gaullists will inevitably dominate the union, as the appointment of the new commissioners already demonstrates.

(OSS Official Dispatches, Algiers)

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By SR Date APR 1 1975

French Morocco: Reaction to Nogues' Resignation

It is reliably reported that the Nogues resignation will result in a more liberal regime in Morocco. The De Gaulle-Giraud accord has produced a revival of democratic ideals, and the organization of a Spanish Republican Group of 10,000 members is under way. A French republican political party has also started. Flare-ups are anticipated in Algiers and Casablanca.

(OSS Official Dispatch, rated B-2, Casablanca)

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By SR Date APR 1 1975

Germany: Production; Air Raid Damage

The following information, transmitted by the OSS representative at Bern, comes from a reliable source. Statistics are for the end of May.

1. German airplane production, all type, is estimated at 2700 per month*. Coal production in the Ruhr dropped from 400,000 to 360,000 tons following the recent bombings, but returned to the higher figure quickly. There has been no substantial reduction in the production of synthetic gasoline.

2. Although suffering greatly from the loss of houses, and the cutting off of electricity and water, German laborers conduct themselves in a disciplined manner, and resume work quickly after the raids.

3. While there is a continued decline in per capita production, there is no decline as yet in total production. The peak, however, has been reached.

4. After the destruction of the Moehne dam, the water supply in large cities and regulation of the Ruhr River were seriously affected, but damage to power production was slight.

5. Thanks to bad weather, the May 25th raid on Dusseldorf did not cause serious industrial damage. Dortmund, however, suffered severely in the May 23rd raid. The destruction between Essen and Altessen, the informant states, was the worst he had ever seen.

(OSS Official Dispatch, rated B-2, Bern)

*This figure is thought by OSS analysts to be very high.

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By SR

APR 1 1975

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Italy: Popular Opinion

The following report comes from a source believed to be reliable:

At the moment Italian opinion is divided. The older generation of pre-Fascist Italians wants an immediate compromise peace. The younger Fascist generation remains in an irresponsible mood, though the Pope is attempting to make people realize the seriousness of the situation. His Holiness is convinced that if Italy does not make a separate peace soon, she will be obliged to submit to very unfavorable terms.

There are reports that quantities of supplies from bombed cities such as Genoa are being shipped to Rome in the belief that Rome will not be bombed. That city is over-run with Fascist favorites, creating a situation which our propaganda might well exploit.

(OSS Official Dispatch, Bern)

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SR Date APR 1, 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

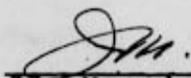
June 4, 1943

WDB

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic
Services, No. 32.

Submitted herewith are some additional
items received from our secret sources abroad.

Unless otherwise indicated, the items of
information submitted herewith are reports just as
received from agents and have not been evaluated
as to degree of reliability other than as stated.



John Magruder, Brig. Gen.
Deputy Director, OSS -- Intelligence Service

Enclosures

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By SR Date APR 1 1975

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Tangier: Internment of Allied Sympathizers *

The OSS representative in Tangier reports that between 500 and 1000 pro-Allied Jews and Moors of military age have been rounded up by Spanish authorities and sent to a concentration camp. The move began as a security measure against Allied sympathizers and developed into a brutal Nazi program. The arrests have been made by plain-clothes operatives under the direction of the Spanish military commander in Tangier, Uriarte, a lieutenant of General Orgaz. Some of the operatives are paid by the Nazis. The local chief of police disclaims all knowledge and responsibility. The official Spanish statement on the roundup declares that the internees are only volunteers for the Corps Franc d'Afrique, which the OSS representative denies.

The consequence of Uriarte's move has been to eliminate practically all Allied agents and sympathizers of military age and to diminish greatly American prestige.

(OSS Official Dispatch, Tangier)

*See later Dispatch.

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By SR Date APR 1 1975

Tangier: Spanish Internment of Allied Sympathisers

The OSS representative in Tangier reports that General Uriarte has advised the Jewish Council that beginning on June 3 all persons arrested for political reasons in the last week would be released in groups of 25. Apparently a state of alert existed in Spanish Morocco on May 31 owing to the movement of American material in the French zone which gave the impression that American invasion of the Spanish zone was imminent. In a speech on June 2 General Orgaz described the situation in Spanish Morocco as one of "energetic serenity" and asserted that Spanish Morocco would preserve strict neutrality.

(OSS Official Dispatch, Tangier)

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By SR Date APR 1 1975

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France: De Gaulle and Giraud

The OSS office in Algiers has transmitted the following reports on the progress of French unity negotiations in North Africa. The Catroux mission states that Peyrouton informed them some time ago he would tender his resignation and offer to rejoin the French Army as a captain, rather than constitute an obstacle to unity between the two factions; he hoped, in return for this gesture, to receive a suitable post in another area. Accordingly, he tendered his resignation as governor general of Algeria to De Gaulle, and the latter's outright acceptance angered Peyrouton so that he then communicated a message of resignation to Giraud.

Giraud's appointment of Vice Admiral Muselier as deputy military commander-in-chief, charged with the maintenance of security in the vicinity of Algiers, insulted the De Gaullists, since Muselier was instructed to prepare an internment camp at Colomb Bechar, to forbid the entry of Leclerc's men into Algiers, and to keep close watch over De Gaullists (including the missions). Great tension exists in Algiers, where De Gaullist officers have considered the possibility of taking extreme measures but are dissuaded by their small numbers. Mendigal is reported to have proposed an anti-De Gaulle putsch until he was discouraged by French officers who stressed the unfavorable attitude of the Allied High Command to such a move and the predominantly De Gaullist sentiment of the local population.

De Gaulle visited Eisenhower on June 2 to inquire what support he might expect. Leon Marchal states that Macmillan and Murphy indicated their approval of De Gaulle's demands for the removal of Mendigal, Nogues, and others. Nogues had returned to Morocco before De Gaulle's arrival in Algiers and is said to have sent a message to Giraud maintaining that security in French Morocco depends on his being kept there.

On the night of June 2 Catroux broke with De Gaulle after accusing him of having blocked efforts to secure unity; Catroux said that henceforth he would be independent of the Fighting French party. Giraud had not been informed of this occurrence on Thursday morning, Catroux wishing not to aggravate the situation and wishing to assist as far as possible in the attainment of compromises by accompanying De Gaulle to the executive council's meetings.

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Giraud's appointment of General Georges to the council has displeased the Fighting French since he outranks De Gaulle, has supported the North African officials opposed by De Gaulle, and is also to serve at Churchill's request as chief of the French military mission in London.

(OSS Official Dispatches, Algiers)

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CIA 006687

By SR Date APR 1 1975

Union of South Africa: Recent Events

The OSS representative in Capetown sends the following information obtained from a very reliable source:

1. The recent goodwill visit of the governor of Angola apparently involves no change in the Union's policy of leaving the Portuguese colonies alone unless the Germans first invade the Iberian peninsula. The Union remains on good terms with the Portuguese.

2. The great issue in the general election to be held July 7 is the war. All indications favor the return of Smuts' United Party with a substantial majority.

3. In order to influence the elections, military displays, similar to the British tatoon, will take place in every south African city on June 26. General Montgomery is expected to take the salute in Johannesburg.

(OSS Official Dispatch, Capetown)

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By SR Date APR 1 1975

Italy: Psychological Warfare Suggestions

Allied Headquarters in North Africa has submitted some recommendations for Allied propaganda, in the light of results obtained in questioning Italian prisoners of war captured in Tunisia. Fascist ministers, members of the royal family, and senior officers do not visit the front, a neglect of which Italian combat troops complain. On June 7 the Italian Government is going to start a drive for the purchase of war securities; the report suggests that this is a favorable occasion for exposing the shaky financial condition of Italy, with particular emphasis on factual data.

Interrogation of German prisoners has suggested the following line as being useful for propaganda directed at the German Army: soldiers, wishing to return home, are kept in the war because their officers oppose peace, war being the officers' profession.

(OSS Official Dispatch, Algiers)

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CIA 006687

By SR Date APR 1 1975

France: De Gaulle and Giraud

Allied Headquarters in North Africa reports that De Gaulle desired the resignation of Boisson, Peyrouton, Nogues, Mendigal, Michelier, and Prioux before formation of the provisional French government in Algiers. Giraud and Georges favored some changes among the colonial administrators, but opposed so early and wholesale a dismissal of officials. Catroux and Monnet, while concurring in the view that most if not all of those on the De Gaulle proscription list should go, wished to wait for formation of the executive committee. The report anticipates a period perhaps as long as two weeks for consummation of French unity, probably on the basis of compromise, but sees at present no sign of breakdown.

(OSS Official Dispatch, Algiers)

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By SR Date APR 1 1975

Tunisia: Political Conditions

The OSS office in Algiers transmits the following information coming from reliable sources:

1. The French are distrustful of the British, who now supervise the administration of Tunisia and exercise military control, but they have confidence in the Americans, whom they do not suspect of lasting designs on the region.

2. There is absent in Tunisia any strong Italian anti-fascist leadership; the business and professional men, a majority Sicilians, are fascists.

3. Interrogation of Italian prisoners of war selected at random has disclosed this trend of opinion: the royal house of Savoy, Mussolini, and present and past fascist officials have no political future; the Italians desire a new formally democratic government; the soldiers blame Badoglio for poor organization in the Army.

4. The Arabs in Tunisia had anticipated the coming of the Allies as the agency of Arab improvement in the colony; instead they are disappointed by British policy and by the American attitude, which they feel unsympathetic. The Arabs disapprove the deposition of the former Bey of Tunis, and are inclined to align themselves politically with the Italians in offering passive resistance to the Allies; on May 27 the Arabs entirely ignored an Allied parade. The present Bey asks to be relieved and that the deposed Bey be restored, the incumbent believing that only his deposed predecessor can properly represent the true Arab interest.

5. Fascist rule in Italy has suppressed information concerning Italians living in exile. The latter are unknown to the present Italian generation, and no leader or group is known who could establish a liberal regime.

(OSS Official Dispatches, Algiers)

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By SR APR 1 1975

Axis Strategy in Italy and the Balkans

The OSS representative at Algiers sends the following report from a source considered fairly reliable:

Mussolini has promised Hitler to defend Italy vigorously for the next four months with minimum aid from Germany in order to give Hitler the opportunity to destroy Russia.

This agreement also includes a Balkan campaign to end all resistance to the Axis. This has in fact begun.

In the fall Hitler promises Luftwaffe support for the Italian Air Force and will endeavor to send his best units to France and Italy.

(OSS Official Dispatch, Algiers)

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By SR Date APR 1 1975

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

June 2, 1943

WST

TO: Col. Chester Hammond, White House Map Room
FROM: John Magruder, Brig. Gen.
SUBJECT: Reports Received in Office of Strategic Services, No. 31.

Submitted herewith are some additional items received from our secret sources abroad.

Unless otherwise indicated, the items of information submitted herewith are reports just as received from agents and have not been evaluated as to degree of reliability other than as stated.

John Magruder
John Magruder, Brig. Gen.

Deputy Director, OSS -- Intelligence Service

Enclosures

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By **SR** Date **APR 1 1975**

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France: De Gaulle and Giraud

The OSS office in London submits the following appraisal of the French political situation:

1. The Fighting French National Committee accepted Giraud's most recent offer to De Gaulle because of (a) British and American pressure and pressure from within France favoring union, (b) concessions by Giraud on the place of meeting, removal of Vichy adherents from office, and subordination of military command to civil power, (c) the rumored threat of Massigli and Catroux to join Giraud, (d) the realization that it would be impossible to transfer an effective Fighting French headquarters to Brazzaville or Moscow in the event of repudiation by the British. The Fighting French believe they can exert paramount influence in the new French provisional government after unity is effected.

2. The Fighting French political philosophy has not been stated in positive terms beyond the declaration that a strong new national state must be rebuilt. The Fighting French view is not identified with conventional French radicalism before the war and does not support the pre-war form of French democracy even under a popular-front type of government. At the same time they are anti-monarchial and anti-fascist, repudiating the suggestion that De Gaulle would be established as a French fuehrer. The Fighting French feel that the British and Americans are supporting a man of the past in Giraud, after the legitimist fashion of Metternich and Castlereagh.

3. The Fighting French believe they have strong support in metropolitan France, which the OSS office in London confirms, stating that the defeatism and collaboration of 1940 have been replaced by a vigorous patriotism looking to De Gaulle as leader.

(OSS Official Dispatch, London)

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CIA 006627

By SR Date APR 1 1975

Tangier: Peace Sentiment in the Italian Colony

A report from the OSS representative in Tangier comments on the apparent lack of enthusiasm for Fascism among local Italians. Both civilians and officials are ardently in favor of peace. ✓

(OSS Official Dispatch, Tangier)

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Political Sentiment and Activity in Tunisia

The May 21 parade in Tunis directed its enthusiasm on the fact of liberation rather than on personalities, though the middle class wants a further purge of Vichy personnel.

Juin, acting Resident General until the arrival of Mast (expected in mid-June), is reported to have congratulated the Tunisian Communist underground on its resistance, but warned that the party was still illegal.

There is almost universal French approval of the removal of treacherous Arabs during the final stages of the campaign.

A further series of liberal decrees issued by Giraud provides for: (1) abolition of the Vichy Labor Charter; (2) abrogation of Vichy laws curtailing individual liberty; (3) abolition within three months of the "groupements" for control of trade. Even so it is doubtful if Giraud's popularity is any greater.

The reinstatement of Free Masons and Jews is likely in spite of strong opposition.

Despondency has been replaced by optimism with respect to the Giraud-De Gaulle negotiations following reports from London.

(OSS Official Dispatch, Algiers)

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By SR Date APR 1 1975

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France: De Gaulle and Giraud

The OSS office in Algiers has transmitted the following report:

1. In the final stage of negotiations between the Catroux mission and Giraud great tension of relations persisted and breakdown frequently appeared imminent. The reason for friction lay in large-scale defection of officers from Giraud's forces to those of General Leclerc, which the Catroux mission admits actively to have encouraged. In response, members of Giraud's staff were alarmed and angered. Even when agreement was reached between the mission and Giraud, the latter refused the services of a bodyguard made up of Leclerc's men. Giraud then declined to detail special troops to assure de Gaulle's safety, indignantly stating that order would be maintained in the regular manner. The OSS office reports that security measures taken by Giraud for De Gaulle's protection are thorough, including the arrest of suspects and possible assassins. Most of the police charged with providing protection are De Gaulle supporters. De Gaulle will also have about 100 officers and men of Leclerc's forces as an inconspicuous unofficial bodyguard, although Giraud's staff has attempted to frustrate this arrangement by forbidding the entrance of such "Liberty Men" into Algiers.

2. The French provisional government will have De Gaulle and Giraud as co-presidents of the Government Council, Massigli as Foreign Secretary, Philip as Secretary of the Interior, Monnet as War Minister, and Catroux as commissioner for affairs of the French Empire.

(OSS Official Dispatch, Algiers)

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Bulgaria: Internal Situation

The OSS representative in Bern transmits the following information coming from a reliable source:

1. As of May 19 there was no evidence of increased German forces in Bulgaria.
2. There is growing Army opposition to the policy of the Bulgarian Minister of Interior, who is corrupt and a tool of the Nazis. He is largely responsible for pro-Nazi measures in Bulgaria, such as the recent removal of Jews from Sofia. Largely owing to the Minister's policy, the administration of Thrace and Macedonia is very bad, causing the population to regret the passing of former Yugoslav and Greek rule.
3. The OSS representative's source states that the circumstances surrounding the murders of General Lukov and Colonel Pantev, Bulgarian chief of police, are still unknown; the source believes that the victims had no protection from Bulgarian authorities; he does not believe that the assassins were Communists.
4. King Boris is now out of touch with the outside world and is frequently misinformed. He has become pessimistic in assessing his capacity to rule effectively in the interests of his country.

(OSS Official Dispatch, Bern)

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Germany: Present Relations with Satellites and Neutrals

The OSS representative in Bern transmits the following report secured from sources believed to be reliable:

A. Italy

1. On May 13, Mussolini demanded of Hitler the immediate dispatch of 40 squadrons of planes, 80 batteries of heavy and aircraft guns, and 5 divisions. On May 18, Hitler evasively agreed to send half the planes and guns and three divisions. In effect the three divisions are those already in Italy and their strength is actually nearer three regiments than 3 divisions. They represent the balance of the reserves for the Tunisian campaign.

2. Mussolini considered this reply a breach of faith since Hitler had previously assured him that it would be possible to hold Tunis at least until autumn.

3. Mussolini is also angry at the German occupation of Croatia. The Italian military attache at Berlin is to make arrangements for the immediate removal of these German troops or else Mussolini threatens to meet "force with force." The Duce thus far has refused an invitation to Berchtesgaden extended for May 23 because of the unpleasant atmosphere at the last meeting.

4. Both Mussolini and the Japanese have urged Hitler to make a separate peace with Russia. He has declined to do so, though he contemplates no large-scale offensive in Russia.

B. Spain

Franco recently informed Hitler that Spain would defend herself against aggression from any source. Negotiations for additional armament from Germany are still pending because Hitler cannot trust the Spaniards.

C. Turkey

President Inonu has assured Von Papen that Turkey will not attack Germany, and Von Papen believes that German troops in Thrace and Bulgaria can safely be reduced.

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D. Hungary

Hitler considers both Kallay and Horthy traitors. He is thoroughly dissatisfied with Hungary.

E. Japan

Reports reaching German and Italian quarters indicate that the Japs are devoting their efforts to effecting a Japanese-Chinese-Russian understanding.

(OSS Official Dispatch, Bern)

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Germany: Deterioration of Morale, etc.

The OSS representative in Bern secured the following information from a source believed to be reliable:

1. The badly-weakened morale of the Germans would be dealt a terrific blow if Italy withdrew from the war. Germans talk freely about the failure of the U-boat campaign since recent figures have dashed their former high hopes. The cumulative effect of air raids is described as devastating, and the food situation is worsening. The greatest results would be secured if one city -- particularly Berlin, the administrative nerve center -- could be repeatedly bombed several nights in succession.

2. Submarine construction has first priority, and Doenitz is vested with far-reaching authority. Heavy service German vessels, including the Tirpitz, have been partially dismantled, and the guns used for coastal fortifications.

3. Hitler's immediate entourage consists of Keitel, Zeitzler, Bormann, Lammers, Buhler, and Himmler. Goebbels has not had access to Hitler recently. Rommel, whereabouts uncertain, is in bad health.

(OSS Official Dispatch, Bern)

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France: Giraud and De Gaulle

The OSS representative cables the following report from a source believed to be reliable:

De Gaulle received almost unanimous acclaim from the crowds when he arrived in Algiers on Sunday. Members of Giraud's staff and many of his generals are fearful lest they lose their positions, and many of them are declaring for De Gaulle. General Georges is rumored to favor De Gaulle above Giraud, although he is a Giraud nominee to the Joint Committee.

(OSS Official Dispatch, Algiers)

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