

Documents K Rome Vol. II

PROBABILITY
of an
Outbreak of War
Documents K
Naval Attaché
ROME

Volume 2
Documents Numbers 50 to 90
(25 April 1940 - 23 Sept. 1941)

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 5(D) or (E)

OsD let. May. 3, 1972

By SLR

Date

MAY 22 1973

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHE'S REPORT

MAY 13 1940

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Form with fields: From T Date 25 April, 1940 Serial No. 215 106-100 102-100/200 File No. 221-320 Source of information OBSERVATIONS - CONTACTS Subject ITALY POLITICAL FORCES POLICY FOREIGN/DOMESTIC. Reference (a) N.A. Rome Serial No. 183 of 12 April, 1940, on 'Italy's Present Position'

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ITALY'S PRESENT POSITION

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E. O. 11652, Sec. 2(C) and 5(D) or (E)

OSD letter, May, 1947

MAY 23 1973

1. Since reference (a) was written, only about two weeks ago, there have been clear and unmistakable signs of the revival of the Rome-Berlin axis. The Press has continued its violent campaign against the Allies and has continued to print the news of the activities in Scandinavia entirely from the German point of view. For a few days, only German despatches appeared on the front pages, despatches from London and Paris being relegated to the inside in insignificant form. The Italian people were led to believe that British Naval and Air Forces had suffered severe losses and that German efforts were everywhere victorious. The Press was so obviously inspired and so obviously false in many instances that many Italians became disgusted with it. The circulation of the Vatican daily paper, Osservatore Romano, has increased to the capacity of the plant, and the copies are bought up as soon as they reach the news stands, showing that the Italian people have a desire for less biased news.

2. Last week the situation in Rome appeared to be critical. There were wild rumors, purporting to come from reliable sources, to the effect that the Fleet was ordered mobilized that Italy was about to attack Corfu, or Crete, or the Dalmatian Coast, etc. Nearly everyone, including the man on the street, members of the Armed services, members of the Foreign Office and the Vatican believed that war would come within a few hours. There is reliable information that Balbo and Grandi exerted all of their influence over Mussolini to prevent him from taking the fatal step and that Badoglio and Soddu, on the night of Wednesday, 17 April, remained up until 5 a.m. with Il Duce discussing the situation. By this time there was some doubt about the complete success of German activities in Norway.

3. During this period the Italian Navy was undoubtedly "ready", as it is now and has been. Fleet exercises were due to commence on 15 April, reservists had been called to serve their annual training period during these exercises, and the Fleet had assembled, the 1st Squadron at Taranto and the 2nd Squadron at Palermo, and the submarines about equally divided between Augusta Bay and Pantelleria. Whether the Fleet was "mobilized" or not, it was ready. On the other hand no special preparations had been made to make ready the Army or the Air Force. They were in their normal "non-belligerent" condition, definitely not ready. Industry was not mobilized, there appeared to be no speeding up in the manufacture of war materials, and Italy's merchant ships were on the high seas.

4. To have gone to war, or to have taken action that would surely lead to immediate war, in this condition would not have been common sense. However, it must be remembered that the final issue may not be decided by what seems to be common sense. All logic appears to be against Italy's engaging in a major war. But, Mussolini, though lonely, is the dominant figure in Italy. He is obligated to Hitler; he is pro-German and anti-English; he is convinced that Germany is winning the war; he and Fascism may fall with Hitler and Nazism; and he is annoyed at being told what to do by his subordinates. If Mussolini gives the order, Italy will march.

5. The hysteria of last week has somewhat subsided during the past two or three days. Now, however, many people say that Italy's eventual entrance

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PAGE TWO

into the war is inevitable. Perhaps this is just an hysterical hang-over from last week. More and more people are beginning to realize the deficiencies in Italy's condition for war and there is fear in their hearts. People are heard to say that they are afraid "Our Dice is growing old".

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E. O. 11652, Sec. 2(E) and 6(D) or (G)

OSD letter, May, 4, 1972

By SLR

Date MAY 29 1973

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From T Date 4 May, 1940. Serial No. 241 File No. 102-100
102-800
(Commence new series each January first) (Subst report number from O. N. I. Index)

Source of information Press and Contact

Subject ITALY POLITICAL AFFAIRS POLICY FOREIGN/ALLIANCE
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UNPUBLISHED SPEECH MADE BY MUSSOLINI ON 21 APRIL 1940, AND GRANDI MADE TO CHAMBER BY GRANDI ON 27 APRIL 1940.

In a speech made privately to the Syndicate Representatives on 21 April, the Duce said: "Watchword is 'arms to defend our work'. Is Italy really independent? Unfortunately not. For 8 months I have suffered deeply because not one Italian ship has escaped Franco-British control. We are really prisoners in Mediterranean as the English say. I tell those Italians who fear a continental hegemony but fail to realize the danger of an existing maritime hegemony that Fascist Italy's word remains as it was given, the more in that our Ally has asked for nothing. If we had been with the other Allies they would have asked us to use our forces in their interests. I have realized that the independence of a nation depends on direct contact with the oceans. You are authorized to repeat these remarks as I shall repeat them myself on another occasion that may not be far off. We must above all retain our calm and 'step on the gas' for the defense of our work and the attainment of our victory."

Speaking before the Chamber of Fasci and Corporations on 27 April, Grandi expressed ardent devotion to and unalterable faith in the Duce. He said the Fascist Empire is not outside this conflict of peoples. Events have not taken Italians unawares. The watchword is absolute loyalty to the Duce, blind faith in the goals to which he points, obedience to his command.

REF ID: A66222 (See 202 and 203) (See letter, May, 1, 1942)

By SLR Date MAY 22 1940

1. There follows a translation of a speech made by Mussolini on the Italian Labor Day, 21 April, privately to the Syndicate representatives immediately after his brief address to the people in the Piazza Venezia. Copies are having limited circulation among Italian officials:

"Comrades,

"To the crowd I made a speech of 30 seconds - 'Work for arms'; to you I add, 'arms to defend our work'.

"I now want to ask you a question: 'Is this nation of 45 million Italians really independent?' (Yes ... No). Your divided reply shows me that you are intelligent comrades. In fact, all of you are right. Those who say 'yes' because that is our absolute will. Those who say 'no', because actually and unfortunately we are not independent.

"For 8 months, 8 long months, I have been undergoing an intimate torment which causes me to suffer deeply even physically, although from my aspect you might not think so. Eight long months during which not one, I say not a single ship has escaped the Franco-English control. And with what bizarre caprice they treat our merchandise! Yesterday they seized sultanas, the day before they let the cinnamon go but held pepper. An industrialist asked yesterday if his cases of eggs which have been held at Malta for 15 days will be delivered to him as chickens ... In fact, it is an unheard of situation which places us before a hard reality and which must deprive the Italian people of all illusions.

"We are really prisoners, as the English say, prisoners shut in between Gibraltar and Gues, and the English are so pleased about it that they

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page 2.

RECORDED
 R. G. TIGHE, JR. and BOY DE JO
 OSD Letter, May, 4, 1940
 By SLR Date, MAY 22 1940

have even told us that they could easily bombard Rome ... but let them try to send a battleship to Muriolino - then they would see what would happen!

"Comrades,

"I tell those Italians who lack all political sensibility and who persist, through fear of a continental hegemony, in not realizing the danger of an existing maritime hegemony, that the word of Fascist Italy remains as it was given, all the more in that our Ally has never asked us for anything. What would the other Allies have asked for if we had still been with them? 'You have a great nation, demographically numerous' they would have said, and they would have asked us to employ our masses ... in their interests. This will not happen again. The Italians of today remember only the German invasions ... but they must not forget those of the French and that in 1796 Venice was stripped even of her horses and that a French General gave his troops the order "Euer a volonté". The Italians must not, however, forget that there was also an Italian General who, when an officer reported that in a certain battle the Italians were firing on the French, replied: 'Never mind, in any case they too are enemies'.

"Comrades,

"If in the 15th, 16th and 17th centuries there had been an 'idea of State', the situation would be different today. The fault goes back to the Italians of those days; while it was possible they lived in Arcadia .. ministerial boys, serried in rich villas, and lived, as Parini says, the life 'of stupids'. "In my long meditations between my work I have realized, and defy anyone to prove the contrary, that a country, in order to be independent, must have contact with the oceans; it is semi-independent if it has indirect contact, and not independent at all if it has no contact with the ocean. This is the truth on which Italians must meditate at length.

"I authorize you to repeat the things I have said at this meeting which will become historic because they will be repeated by me on another occasion which may not be far off.

"Comrades,

"Let us above all retain our calm, taking example from me, and without drama or tragedy, prepare ourselves to face the events of which we could not always remain mere spectators; and the order, to put it in aviation slang, is 'Forward wide open', or better, in automobile slang, 'With the accelerator to the floor' - for the defense of our work and to consolidate and attain 'Our Victory'."

2. Closing the ordinary plenary session of the Chamber on 27 April, Grandi made on its behalf an address to the Duce expressing the 'ardent devotion and unalterable faith' during the present developments in Europe, 'awakened by a war which marks the inevitable beginning of profound changes and reforms in the life of this continent and the world'. He continued:

"The Fascist Empire is not, and knows that it is not, outside this conflict of peoples. With the profound sensibility springing from centuries of

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page 3.

experience and recent decades of glory, the Italian nation is clearly conscious of its responsibilities and duty. Nor could it ever be otherwise when its liberty, power, its very existence and the existence of the future generations are at stake.

"These events have not taken the Italian people unawares. Your daily, untiring, driving will-power has over the course of twenty years prepared them in arms and spirit and tempered their character in the bitter struggle of each day. You, Duce, have led them through victorious wars and gigantic works of peace, always sure, courageous and unchanging in audacity, in difficulties and in victory. In labor as in combat you have given them the unalterable faith, the certainty of winning which is the principle of victory, the boldness to defy as one against all, and as reward of tenacious heroism the Empire.

"Thus you wanted them and thus you have made them. So were they dreamed of by our heroes and martyrs as they fell.

"They are with you, close to you, and follow with grateful heart your arduous, incessant efforts.

"Such is the people of the Fascist Revolution, strong in arms, strong in its rights, aware of the purposes to be reached and the mission to be fulfilled. From the Alps to the Indian Ocean it is a united army of 45 million soldiers rallied close around the Majesty of the Victorious King, the personification of the greatness and immortality of the fatherland.

"Today as yesterday and always the watchword is: absolute loyalty to you, Duce; blind faith in the goals to which you point; silent, manly obedience to your command and to the policy you have designated as conforming to the honor and great historic interests of Italy. Such is the feeling of the country, which owes to you its present greatness, its destiny and its future."

Comment:

In a British Broadcasting Corporation radio announcement and in conversations with British Embassy officials it was stated that one of the reasons for re-routing British shipping around Africa was the attitude shown by speeches of certain Italian officials. It is believed these speeches are the ones referred to.

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E. O. 11652, Sec. 5(D) and 5(D) or (E)

OSD Issue, May, 1, 1972

By SLR Date MAY 22 1972

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From T Date 6 MAY, 1940 Serial No. 242
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ITALIAN REACTION TO REPORTED CONCENTRATION ANGLO-FRENCH NAVAL FORCES IN MEDITERRANEAN.

1. The Italian press of 5 May 1940, published the following despatch from Alexandria in regard to the concentration of Anglo-French naval forces in the Mediterranean:

"The 2nd French Squadron, together with British units including 3 battleships, is sailing towards Alexandria. Two other British battleships, MANSPIT and RAILLIES, are on their way to the Mediterranean. At Oran there are two other French battleships, DUNKERQUE and STRASBURG. In the Eastern Mediterranean are 7 British light cruisers and 4 squadrons of destroyers. The number of submarines is not stated. The greater part of the French light surface fleet is in the Mediterranean."

2. In an article initialled by Virginio Geyda, the Giornale d'Italia of 5 May comments as follows:

"The Italian nation does not yet really understand clearly by what particular design the Anglo-French decision to reinforce their war fleet in the Mediterranean is inspired. But it is certain that it will remain entirely tranquil. It is not the first time that Italy has seen the fleets of England and France, operating on a common political plan, concentrated in the Mediterranean - with openly anti-Italian intentions. But none the less, she has never been impressed and has continued the free exercise of her policy for the protection of her legitimate interests and the defense of her ideal of European interests."

"If however, this unusual and mysterious concentration of Franco-British naval forces, which coincides so obviously with the serious defeat suffered by the Allies in the North Sea and on the Norwegian coast, should signify any attempt at offensive action for the purpose of diversion or rehabilitation of their political and military prestige, it would meet with Italy's prompt and firm reaction. Italy is resolved to face and repel any menace, from wherever it may come."

3. The Messaggero of the same date makes the following unsigned editorial comment:

"The concentration of Anglo-French naval forces in the Mediterranean - whatever its purpose may be - cannot in any way weaken our firm decision to safeguard Italy's vital interests. The Allied decision does not worry us but if it should signify the beginning of offensive ideas of any kind, Italian reaction would be prompt and efficacious, such as to force the democracies to register a second and bitter defeat."

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Tech. Div.	C. in C. U. S.	Com. Int. Aff.	Com. Sec. Aff.	C. in C. Asia	Com. S. E. A.	Com. Afr.	Attached to						Operations			State		Commiss.		Return to				
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C-10-2



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From Date 10 May, 1940 Serial No. 256
(Continued on verso with January form)

Source of information CONTACT

Subject GERMANY-NAVY-OPERATIONS GERMANY-ARMY-OPERATIONS. POLICY - FOREIGN/ INT. INTELLIGENCE
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CONVERSATION WITH GERMAN NAVAL ATTACHE.

~~CONFIDENTIAL~~

11422, Sec. AFD and SDJ of CG
CGA Index, May, 1942

1. The German Naval Attache called at 11:30 this morning by appointment. Germany invaded Belgium, Holland and Luxemburg this morning at 0300.
2. Captain Lowisch stated that he had no advance information regarding the action taken by Germany this morning and that his Embassy had received no news from Berlin regarding the invasion.
3. I said that it was too bad that countries like these should have to bear the brunt of war; they had not in any way been connected with the causes which led to the war. He said that he had hoped that the war would be finished without involving them. I said that the invasion of these neutral countries would make a very bad impression in America. Captain Lowisch said he had thought of that and wondered if it would bring America into the war. I said that America definitely did not want to go to war or to get mixed up in European politics if it could be avoided. I pointed out that President Roosevelt had said that he did not want to send troops to Europe although, as far as I knew, he had said nothing about the Navy and the Air Force.
4. I said that Americans did not want to be ruled by a man like Hitler and did not want Hitler to overrun Europe because then he would start making trouble in South America and that would involve us. He said that Hitler surely had no intentions of going into South America. I pointed out that he had actually done so during the past few years and had, through economic pressure, organized the German elements in South America into strong Nazi groups which would have caused trouble if we had not stepped in. Lowisch said that Hitler did not want the war, had tried since 1937 or 1938 to be friendly with England and had tried to avoid the war in September. I said that after the Ruhr, Austria, the Sudeten lands, Czechoslovakia and Poland, it could hardly be expected that the Allies would believe that Hitler would go no further. I pointed out that Hitler had followed almost to the letter the program that he had laid out in Mein Kampf and that there was a lot more still to come, all of which seemed to be based upon the superiority of the German race.
5. I said to Lowisch that he was a seaman of the old school and that I could not believe that he approved of the invasion of these small neutral countries. For a moment he appeared not to have understood. When I repeated the statement, he flushed slightly, appeared confused and said that he had hoped that neutrals would not be involved.
6. Lowisch said that the invasion of Holland and Belgium would give Germany bases nearer England. I said that from these bases the West Coast of England could be reached with ease. He said that was the object. He said that Germany is now building a large number of submarines, that "they" (not indicating how many) would be finished next month and then with the airplanes from bases in Holland and Belgium and the submarines it would be possible to shut off all traffic to the English West Coast.
7. Lowisch said that now it appeared that the war would last a long time. (I doubt if he believes that).

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ATTACHE'S REPORT

C-10-2
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Date 28 May, 1940 Serial No. 283 File No. 102-100
(Compass use serials) 912-1000 (Index program number from G. M. I. Index)

Source of information CONTACT
Subject BRITAIN/ITALY - POLITICAL FORCES - POLICY - FOREIGN/INT. RELATIONS.
ITALY - ECON. FORCES - COMMERCIAL - POLICY IN FOREIGN TRADE
ITALY - MILITARY - SHIPS - SUBMARINES. (Index as per Index sheet) (Subject)

Reference

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CONVERSATION WITH BRITISH NAVAL ATTACHE

Sailings of REX and ships for Far East cancelled.
British Naval Attache states many small craft commandeered by Italian authorities. Being converted into transports, etc. He states town of Brindisi blacked out every night and troop concentrations at Brindisi and Taranto.

British Embassy has report Italy will enter war by attack on Corsica, Egypt or Greece. British believe Italy will try to keep relations with France as good as possible in effort to induce France to make separate peace. Admiral Bevan says French Government would reject offer of separate peace but such offer might cause revolution in France. British think attack on Egypt unlikely; attack on Greece more probable.

Admiral Parsons told British Naval Attache rumors of sale of Italian submarines to Germany untrue.

Sir Wilfred Green has announced that after date to be announced no control would be exercised in Mediterranean over Italian or American ships. Italy in return to give Government guarantee that materials coming into Italy will be used by Italian industries and not exported. This now in effect.

Admiral Bevan has report that Head of Japanese Commission now in Rome asked Mussolini Italian reaction if Japan occupied the Dutch East Indies. Mussolini stated latter indifferent to him. Japanese Naval Attache to Italy recently relieved went to London instead of returning directly to Japan from Italy.

O. N. I. Form No. 1 (Rev. 5-1937)

1. Rear Admiral Bevan called this morning and we discussed the following subjects.

MAY 28 1940

2. When told that we had just confirmed the report that the sailing of the "REX" on 29 May had been cancelled and her sailing tentatively scheduled for 10 June, he said that he had heard in addition that the sailings of the Lloyd Triestino Line ships for the Far East had been cancelled but not the sailings of that line for the Italian colonies.

3. He said that many coastal and fishing craft had been commandeered by the Italian government. Among them were six steamers of about 2000 tons, 14 knots speed, which had been armed and converted into transports. In addition there were four of about 8000 tons which probably would be converted for the same use. The steamer "FC" had been sent to Trieste for conversion into a hospital ship.

4. Bevan said that the town of Brindisi is blacked out every night and he has heard unconfirmed rumors that there are troop concentrations at Brindisi and Taranto; also, that the old cruiser "TARANTO" has been loading mines at Brindisi. Other unconfirmed rumors are to the effect that there is a ship being loaded with cement to block the Suez Canal and that there is an Italian submarine base in the Balearic Islands.

5. The British Embassy has a report that Italy's entry into the war will

Dissem.	B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9, B-10, B-11, B-12, B-13, B-14, B-15, B-16	Map	Arch	Index	C.R.O.	Gen'l	War	H.I.R.	Nav.	Inf.	A.S.R.	Eng.	S.S.A.	M.S.R.	Ann.	U.S.	N.O.	
Yech. Div.	C. in C. U. S.	Com. Inf. For.	Com. Inf. For.	C. in C. Asst.	Com. S. S. S.	Com. Air	Attache at	Operations			Com. Dir.	W. P.	Com. (J. T.)	State	Com. Serv.	Return to		

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From Date 24 May, 19...40 Serial No. 233 File No.
 Source of information (Indicate source name such as January list) (Select proper number from O. N. I. index)
 Subject (Indicate reported on) (Index title as per index sheet) (Subtitle)
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be signaled by an attack on Corsica, Egypt or Greece. The British rule out Corsica as they believe Italy will try to keep relations with France as good as possible in order to help Germany in the effort to induce France to make a separate peace. In this connection, Bevan said that a separate peace offer to France would not be accepted by the Government but it might cause a revolution in France as there would be many people who would want to accept it. The British do not believe that a sudden attack will be made on Egypt because of the difficulties involved but believe that an attack on Greece is not unlikely. Italian naval forces could occupy Greek harbors and land forces could overrun Greece before Allied help could arrive. Greek opposition in the air would be negligible.

6. Admiral Bevan said he told Admiral Perona that he had heard many rumors to the effect that Italy had sold some of her submarines to Germany. Admiral Perona hesitated and then said "If you ask me that officially I will have to let you an answer, but if you ask it simply as a friend I will tell you that there is absolutely nothing to these rumors". (It is possible that title actually has not been transferred and that the submarines based in the Dodekanese are being used to train German submarine crews).

7. At a meeting of the Joint Anglo-Italian Commission on 23 May, at which Admiral Bevan was present, Sir Wilfred Green announced that, from a time to be announced later, there would be no control exercised in the Mediterranean over Italian or American ships. The Italian members were pleased and surprised and at a meeting later in the day announced that in return Italy would give a government guarantee that materials coming into Italy would be used by Italian industries and would not be exported. This morning, 24 May, Admiral Bevan received a telegram from the Admiralty saying that this procedure is in effect upon receipt of the telegram. Bevan said that exports from Germany are still banned but the practical working of this phase has not been determined. The British hope to be able to get "certificates of origin" for materials being exported from Italy. Navicerts also will continue to be used.

8. Bevan said his Ambassador had heard that the Head of the Japanese Commission, which is now in Rome, had asked Mussolini what his reaction would be if Japan occupied the Dutch East Indies. Mussolini replied that it was a matter of indifference to him.

9. Bevan said that the recently departed Japanese Naval Attaché, Captain Hideo Haraike, had gone first to London instead of returning directly to Japan from Italy.

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E. O. 11652, Sec. 3(E) and 3(D) or (E)

OSD letter, May, 4, 1972

By SLR

Date MAY 22 1973

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From T Date 25 May, 1940 Serial No. 282 File No. 106-100
 Source of information OBSERVATIONS - CONTACTS (Classification series each August 1939) 103-100 (Select proper number from O. N. I. index) 102-200
 Subject ITALY - POLITICAL FORCES - POLICY - FOREIGN POLICY NATIONAL GOVERNMENT - FAR EASTERN POWER
 Reference (a) M.A. ROSE'S SERIAL NO. 163 OF 12 APRIL, 1940, ON "ITALY'S POSITION"
 (b) M.A. ROSE'S SERIAL NO. 215 OF 20 APRIL, 1940, ON "ITALY'S POSITION"

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ITALY'S PRESENT POSITION

Report supplementing references (a) and (b) regarding Italy's position relative to the war and factors pertinent thereto.

Since reference (b) written Rome-Berlin Axis revival accompanied by violent press attacks against Allies, particularly England. Oppression of British blockade emphasized, and all grievances thoroughly aired in Italian Press. Italy's position as "prisoner in Mediterranean" dwelt upon.

Effort made in press to intimidate Italians who lean toward the Allies. Direct threats made to Fascist Party members who are pro-Allies.

Because of pro-Allied leaning of Pope, Vatican paper strongly attacked in Italian press and its sale now prohibited. Can be bought in Vatican City. Anti-Pope demonstration in Rome on 14 May may be prelude to others.

Italy full of German agents and government offices dominated by Germans. German press despatches given prominence in Press. On night 10 May anti-British posters appeared in Rome. Later appeared all over Italy. New posters constantly being put up.

Efforts to arouse Warlike Spirit in Italian people obviously successful. War psychology assisted by success of Germany in Norway, Belgium, Holland, etc. Italian people now convinced that Germany will win war. Still considerable sentiment in Italy against entry into war.

Italy has lost fear of England and France; now fears Germany and Russia more. This brought about by events in Denmark, Norway, Holland, Belgium, etc. Italy believes Allies too occupied with Germany to send adequate forces against her if she moves.

Italy again going through motions of preparing for war, and believes she is now less vulnerable because of Allied losses and successes of German army. Preparations now being made much more thorough than in Sept. 1939.

Italian Navy now ready. Anti-submarine nets being placed. Army has over two million men under arms. Air force has called specialists and could complete mobilization quickly.

Italy's intended objectives and time of taking action difficult to determine. Corsica mentioned as first objective. Troops believed being moved to Sardinia. British do not expect attack on Corsica or Egypt. Generally believed Italy will not invade Yugoslavia now. Believed Malta will be attacked and Greece most probable immediate objective of Italy. Rumors of troop concentrations at Brindisi and Taranto. Troops in Albania concentrated on best route to Salonika. Greek opposition if invaded would not be very strong. Rumor sets time of Italy's entry into war between limits of few hours and latter part of June. Best guess time of entry early part of June.

French and British now making belated efforts to appease Italy. Believed these efforts too late.

Mussolini will decide time of Italian entry in war. This will be influenced by Allied successes or failures.

1. Reference (b) was an effort to bring reference (a) up to date and this report is a continuation of that effort.

2. Since reference (b) was written the revival of the Rome-Berlin Axis has been accompanied by violent and scurrilous attacks in the Italian Press against

- 1 -

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O. N. I. INDEX, SER. 103, AND SER. 102
 (CLASS. LETTER, MAY, 1940)
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From T Date 25 May 19. 40 Serial No. 202 File No.
 (Continuation over earlier month January last) (Global program number from C. N. I. Index)

Source of information

Subject
 (Nation reported on) (Index title or per leader sheet) (Subtitle)

Reference

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 11872 (Sec. 303 and 317) of C.N.I.
 CND 14490, MAY. 1 1972
 SLR Date MAY 22 1973

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the Allies, particularly England. All grievances have been thoroughly aired and no stone has been left unturned to put the Italian people in a warlike frame of mind for entering the war. The Press has emphasized the oppression of the British blockade, the "prisoner in the Mediterranean" idea, the Sanctions, Italian aspirations and empire hopes, the duplicity of the Allies in connection with the Pact of London, and the material benefits to be derived from partnership in the Axis. The first item on this list probably has been the most effective in arousing the anger of the Italian people, almost all of whom believe that the blockade has caused unnecessary hardship and suffering in Italy, and is indicative of England's general attitude toward Italy.

3. Numerous articles in the Press have been designed to intimidate Italians who continue to lean toward the Allies. Direct threats are made against those who are members of the Party and use the Party badge as a shield behind which to hide their "traitorous" beliefs.

4. Because of the pro-ally leanings of the Pope and the "Osservatore Romano" the Vatican paper, the Vatican has been strongly attacked in the Italian Press, particularly by Farinacci in the "Regime Fascista". The Osservatore Romano is no longer sold at news stands in Rome and can be bought only in Vatican City. It would be dangerous for an Italian to walk along the street with a copy of that paper under his arm. On the night of 14 May there was an anti-Papal demonstration in Zara which may be a prelude to further demonstrations against the Vatican.

5. Italy is full of German agents and it is believed that even the Government offices are dominated by Germans. The Press gives prominence to German despatches, and some of the maps of the war area published in the press have the appearance of having been furnished by the German Embassy. On the night of 10 May thousands of anti-British and anti-ally posters appeared in Rome. During the next three or four days they appeared all over Italy. From day to day, since their first appearance, new posters have been put up. One poster with a wide black border announced the demise of the British Navy. This poster was taken down the next day for some mysterious reason. These posters are believed to be the work of German agents.

6. Efforts to arouse the Italian people to a warlike spirit obviously have been successful. First came anger at the oppression of the blockade and of Britain generally; then fear based upon the threats against those who failed wholeheartedly to support the national effort. The development of a war psychology was greatly assisted, in each individual case, by the success of Germany in the Norwegian Campaign and the belief, instilled by German propaganda, that the British fleet had suffered severe losses and was impotent in the face of air forces. Finally, the activities in Holland, Belgium and France have convinced the Italian people that Germany will win the war within a short time and that Italy has nothing to fear from the Allies. However, there is much opposition to entry into the war among the Italian people in northern Italy, par-

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 O. 11682, Rev. 3/30 and 5/70 to 380,
 ONI Index, May, 1, 1972
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ticularly the better class, and they hope for an allied victory in France which would make Italy pause to consider her position.

7. The idea that Italy has nothing to fear from the allies and its bearing on Italy's position was summed up yesterday by an Italian, who is a loyal Party member and is believed to reflect the views of a member of the Cabinet, in the following terms:

- (a) In view of the events in Denmark and Norway, in Holland and Belgium, and in France, Italy has lost her fear of England and France.
- (b) Italy now fears Germany and Russia more than England and France.
- (c) Everyone in Italy knows that Italy is not properly equipped to go to war.
- (d) Italy has already done Germany a military service by containing British and French military, naval and air forces and can sit on the winning side of the peace table when Germany wins.
- (e) Italy will not actually declare war against England and France but will suddenly invade some unimportant place such as Corfu which it considers a necessary possession to insure control of the Adriatic.

8. That Italy believes she now has nothing to fear from the allies is the crux of the whole situation. Because of being closely and vitally engaged in Belgium and France, Italians believe that the Allies will not be able to send adequate force against whatever move Italy decides to make. Because of well known weaknesses it is certain that Italy would not expose herself to the dangers of fighting a first class power if that power were able to bring its full force to bear.

9. Last August, Italy went through the motions (and talk) of getting ready to go to war. The process is now being repeated but under quite different conditions. Then, Italy had confidence in the effectiveness of German preparations for war but was strongly conscious of her own vulnerability. Today, Italy has seen demonstrated the efficiency of the German war machine, has counted the allied losses of men and equipment as represented in Berlin despatches, believes strongly that Germany will win the war, and believes that her own vulnerability has been greatly reduced by the Allied losses and by the close occupation of Allied forces in the vital theatre of war in western France and Belgium.

10. As to Italy's preparations, it may be said that the Navy is ready. Anti-submarine nets have been placed at all important harbors. Anti-aircraft batteries are being mounted along the coast. Merchant vessels have been commandeered. Sailings of Italian Line ships have been cancelled. The Army has over two million men under arms and can complete mobilization very quickly. Trucks and tractors have been commandeered. The Air Force has already called the specialists and could complete mobilization in about forty-eight hours. Beginning about 20 May the Air Forces in Libya were strengthened by seven

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FORM 11042, Rev. 3-23 and 3-27 (36)

NAVY DEPT., MAR. 4, 1932

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~~CONFIDENTIAL~~

MAY 23 1943

squadrons of fighters and an unknown number of bombers. The fighters are scattered at small airports along the northern coast of Cirenaica from Tobruk to the westward. Additional gasoline supplies have been distributed in this area. The additional bombers are in the region of Bengasi. Places at Bengasi include troop carriers. The sea plane carrier Giuseppe Miraglia has moved from Tripoli to Bengasi with about forty planes. Additional bombers have been sent to Pantelleria and Sicily.

11. Italy's intended objectives and the time of taking action are difficult to determine. Corsica is spoken of as the first objective. A few days ago a transport loaded with troops left Genoa presumably for Cagliari or La Maddalena. Today it was learned that 3500 Black Shirts and 1500 reserve engineers of the class of 1907 have been sent to Genoa for transport to Libya or Sardinia. The British Embassy believes that Corsica will not be attacked as Italy is expected to help Germany in the efforts to induce France to make a separate peace. The same applies to Tunis. No suggestion is made of an attack on the French frontier. A surprise attack on Egypt is also ruled out by the British as being too difficult but has been mentioned in rumors. It is generally believed that Italy will not go into Yugoslavia at this time. Malta will probably be attacked, according to current opinion, but Greece is generally indicated as the most probable immediate objective of Italy if land forces are used. In this connection, there are unconfirmed rumors of troop concentrations at Brindisi and Taranto. An old cruiser, the Taranto, has been reported as taking on a load of mines at Brindisi. Most of the troops in Albania are in the area north of Lake Ochrida near the best route to Salonika. In a sudden attack, Italian naval forces could occupy all important harbors and land forces could overrun Greece, both assisted from the air, before the Allied forces could take action. Greek opposition would not be very strong. The Greek Prime Minister, Metaxas, has refused on several occasions the request of the General Staff to complete mobilization. It is not improbable that Italy's initial effort will be confined to sea and air forces in an attack on the British Fleet in the Eastern Mediterranean.

12. For the past two weeks rumors have set the time of Italy's entry into the war between the limits of a few hours and the latter part of June. In some cases specific dates have been mentioned, some of which have passed. The best guess at this writing is the early part of June but it will depend greatly upon the outcome of events in Western France and Belgium.

13. Related efforts at appeasement have occurred in the form of a statement by Sir Wilfred Green, Master of the Rolls, to the Anglo-Italian Joint Standing Committee that there would be no more control interference with Italian and American ships in the Mediterranean. The Italian members of the Committee were pleased and later announced that in return a Government guarantee would be given to the effect that all materials entering Italy would be used by Italian industry and would not be exported. It is said on good authority (though not con-

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Tech. Div.	C. in C.	U. S.	Int. Aff.	Com. Sec. Aff.	C. in C. Asst.	Com. S.S.S.	Com. Air	Assault	Operations											Return to Room No.								
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PAGE FIVE

finned from the French Embassy) that France has offered Italy a free port at Djibouti, reduction of Suez Canal tolls, special legal status for Italians in Tunis and other inducements to maintain her present status. It is believed that all of these efforts are too late.

14. The consensus of opinion in Rome, confirmed from numerous excellent sources, is that the decision has been made that Italy will enter the war at a time chosen by Mussolini. If Germany suffers reverses in France indicating that the Allies have a chance to win, action on this decision may be indefinitely delayed.

ADDENDUM - 29 May.

15. Referring to Paragraph 10 it is rumored that Italy has bought 100 Stukas from Germany. German planes with Italian pilots have been arriving at the airport of Milan during the past few days. It was learned yesterday that one of Italy's best known glider experts has been sent to Sicily. This is of interest as an American engineer recently returned from Germany states that where German parachute troops have been employed they are followed up by gliders (towed by airplanes until cut loose) carrying heavy equipment such as machine guns, extra ammunition, etc.

16. Referring to Paragraph 11 above, there are fairly reliable, though unconfirmed, reports of concentrations of troops, transports and men-of-war at Ancona, Bari, Brindisi and Taranto. These reports strengthen the indications that Greece may be the objective. However, the Dalmatian Coast would be an objective with less dangerous possibilities, a factor likely to appeal to Italy.

17. Referring to Paragraph 12, yesterday Ciano stated to friends on the golf course that "things are going to happen, probably between the 10th and 15th of June". This may or may not be the present plan.

18. Referring to paragraph 13, at the next meeting of the Anglo-Italian Joint Standing Committee, the Italian members withdrew the government guarantee that imported materials would not be re-exported, because Ciano would not agree to it.

19. Yesterday, 28 May, the Belgian King threw up the sponge. There is obviously consternation among foreigners in Rome but the feelings of Italians are not quite clear. For the most part they believe that it will shorten the war but there is no great rejoicing among them. Mussolini's reaction is not known but the general belief continues in foreign circles that he will start his own war on the side rather than attack France or England.

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E. O. 11652, Sec. 5(1) and (2) of (E) OSO letter, May 4 1978
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From T Date 27 May, 1940 Serial No. 286
(Commence new series each January first)

Source of information Official

Subject ITALY POLITICAL FORCES NATIONAL GOVT. COORDINATION OF NATIONAL DEFENSE
(Nation reported on) (Index title as per index sheet)

File No. 101-200
(Classification number from O. N. I. Index)

Reference

NOTE.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

ORGANIZATION OF THE NATION FOR WAR

MONOGRAPH No. 267

1. Translation of Law 21 May 1940, No. 415, on the "Organization of the Nation for War", published in the Official Gazette of 24 May 1940, is forwarded herewith (Monograph No. 267).

56

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MEMORANDUM No. 267

27 May, 1940.

101-200 Italy-Political Forces-
National Government-
Coordination of National
Defense.

ORGANIZATION OF THE NATION FOR WAR.

Law 21 May 1940, No. 415.

Art. 1.

The Government has the task:

- 1) of preparing, in time of peace, the organization and mobilization of the Nation for war;
- 2) of actuating, as soon as deemed necessary, directing, coordinating and controlling the mobilization of the Nation.

Art. 2.

For purposes of organizing the nation for war, the Government:

- 1) establishes the tasks of the Presidency of the Council of Ministers, the National Fascist Party and the various Ministries;
- 2) constitutes special organs and offices, as soon as deemed necessary - by Royal Decree on the proposal of the Duce of Fascism, Chief of Government;
- 3) disciplines, coordinates and controls the activities of public and private organizations in any way connected with the preparation of the organization and mobilization of the Nation for war;
- 4) provides for:
 - a) the development and better utilization of the nation's resources and activities for the attainment of victory;
 - b) the constitution of adequate reserves of food-stuffs and raw materials.

Art. 3.

The Presidency of the Council of Ministers, the National Fascist Party and the various Ministries will communicate the projects and studies assigned as in paragraph 1) of Art. 2 above to the Supreme Defense Commission for the necessary action of coordination.

Art. 4.

The mobilization of the nation for war consists of military mobilization and civilian mobilization, each of which may be general or partial.

Military mobilization consists of the passage of the Armed Forces from a peace to a war basis, in accordance with the rules and regulations of the interested Ministries.

Civilian mobilization consists in the passage of public administrations, industries, services, firms and organizations necessary to the life of the nation, its resistance and defense, from a peace to a war status.

Art. 5.

In case of general mobilization and in case of partial mobilization, all organizations constituted within the State, citizens not subject to military service including women and children over 14 years of age, and those who, although subject to military service are, for any reason, not incorporated in a military unit, have the duty of contributing to the defense and resistance of the nation with the same spirit of devotion and sacrifice as the combatants, and may be civilly mobilized and consequently subjected to war discipline.

- Art. 6. The return from the tasks, functions and organizations of war to the tasks, functions and organizations of peace constitutes the demobilization of the nation.
Like the mobilization, demobilization may be general or partial.
- Art. 7. Civilian mobilization and demobilization of the citizens and organizations as in Arts. 4, 5 and 6 above, are prepared and actuated in accordance with the law on war discipline and the regulations for its application.
- Art. 8. The mobilization and demobilization of the nation, both general and partial, are ordered by Royal Decree on the proposal of the Duce of Fascism, Chief of Government, following the deliberation of the Council of Ministers.
If special reasons should render it advisable, mobilization and demobilization may be ordered even without publication of the relative decree in the Official Gazette.
- Art. 9. The mobilization and demobilization of the nation are prepared and carried out in accordance with a general plan established by the Supreme Defense Commission.
Civilian mobilization and demobilization are prepared and carried out in accordance with plans which, on the basis of the general plan, will be established by the Presidency of the Council of Ministers, the National Fascist Party, the Ministries and dependant organs and, for private industrial establishments performing activities in connection with war manufactures, by the General Commissariat for War Manufactures.
- Art. 10. On the basis of estimates made by the Presidency of the Council of Ministers, the National Fascist Party, the various Ministries and the General Commissariat for War Manufactures, the Ministry of Finance will establish the general financial scheme.
- Art. 11. Demobilization plans will be worked out in time of peace only along general lines, and will be developed and completed during the course of the war in accordance with the situation.
- Art. 12. In order to prearrange, discipline and coordinate all measures for the prompt and orderly passage of tasks, functions and organizations of peace to the tasks, functions and organizations of war, to prepare and keep up to date the mobilization measures (plans, instructions, regulations) and to direct and coordinate operations of mobilization of dependant organs and offices, civilian mobilization offices are instituted, in peace time, under:
the Presidency of the Council of Ministers,
the National Fascist Party, each Ministry and, if necessary,
under the outlying dependant offices,
each Prefecture,
each Commune,
those organizations, services, industries and firms that are charged with satisfying the essential requirements of the nation in war and are designated by the Supreme Defense Commission on the proposal of the interested Ministries and of the General Commissariat for War Manufactures.
In Communes with a population of less than 5000, the normal Commune organs will take the place of the above-mentioned Communal civilian mobilization offices.

Art. 13. The supervision and control of the preparation and actuation of civilian mobilization by the Presidency of the Council of Ministers, the National Fascist Party, the various Ministries and their dependant and controlled organizations, will be performed by the responsible Ministries and, for private industrial establishments performing activities connected with war manufactures, by the General Commissariat for War Manufactures.

Art. 14. Mobilization and demobilization of the nation, both general and partial, are prepared and actuated on the basis of the dispositions of this law and those of the law on war discipline and relative regulations, the military laws and all other dispositions, prescriptions and instructions deriving from the aforesaid laws.

Supplementary dispositions for the preparation and actuation of mobilization and demobilization are established by the Presidency of the Council of Ministers, the National Fascist Party, the interested Ministries and the General Commissariat for War Manufactures.

Art. 15. For Italian Africa and the Italian Possessions in the Aegean, separate measures will be adopted on the proposal of the competent Ministries.

Art. 16. While general or partial mobilization is imminent or in course, the Government may:

- 1) requisition:
 - the individual or collective services of the citizens;
 - the services of syndicates, societies and associations existing within the State;
 - personal property and real estate in the territory of the State, excluding those covered by special immunity;
- 2) requisition any invention and prohibit its application or publication;
- 3) discipline consumption - by means of contingents or rationing;
- 4) limit or prohibit imports and exports, internal trade and the detention of any kind of merchandise;
- 5) oblige citizens and firms to declare the property owned by them which is necessary to the defense of the nation;
- 6) proceed to the constitution of organizations of producers and traders for the purpose of better controlling imports and exports and for requisitioning and distributing food-stuffs and merchandise of all kinds.

Art. 17. For all activities to be performed abroad, the National Fascist Party, the Ministries and competent organs must act in accord with the Ministry of Foreign Affairs which will coordinate and control abroad the action of the above-mentioned organizations and their agents, subordinating it to that of the diplomatic representatives in the place where such action is performed.

Financial questions will be dealt with only through these representatives.

Art. 18. For purposes of the organization and mobilization of the nation for war, the government may order, in peace time, any census it may deem opportune.

The data and information obtained may be used only for the exclusive purposes of defense of the country, and the preparation and actuation of the mobilization are of a strictly confidential nature.

Art. 19. For purposes of the immediate defense of the nation, the government may avail itself in whole or in part of the dispositions of this law, even prior to the order for general or partial mobilization.

Art. 20. The government is authorized to emanate regulations for the execution of this law and to establish penal sanctions for infractions thereof.

Art. 21. Law 8 June 1925, No.969, relative to the "organization of the nation for war, Royal Decree 1 April 1935, No.418, relative to the institution of special offices for civilian mobilization, and all other dispositions contrasting with this law, are abrogated.

The transfer to the competent Ministries of the services at present exercised by the organs established under the acts mentioned in the foregoing paragraph, will take place within 30 days from the date of entry into force of this law.

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From **T** Date **27 May**, 19**40** Serial No. **886** File No. **121-800**
(Communicate new serials each January first) (Attach report number from O. N. I. Index)

Source of information **Official**

Subject **ITALY POLITICAL FORCES NATIONAL GOVT. COORDINATION OF NATIONAL DEFENSE**
(Nation reported on) (Index title as per index sheet) (Subject)

Reference **1. Cf**

Index—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

ORGANIZATION AND FUNCTIONS OF THE SUPREME DEFENSE COMMISSION

(MONOGRAPH No. 268)

1. Translation of Law 21 May 1940, No. 416, on the "Organization and Functions of the Supreme Defense Commission", published in the Official Gazette of 24 May 1940, is forwarded herewith (Monograph No. 268).

57

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MINOGRAMM No. 286

27 May 1940.

101-200 Italy-Political Forces-
National Government -
Coordination of National
Defense.

ORGANIZATION AND FUNCTIONS OF THE SUPREME DEFENSE COMMISSION

Law 21 May 1940.

Art. 1. The Supreme Defense Commission is an interministerial organ for the coordination of studies and solution of all questions regarding the security and defense of the nation, the organization and mobilization of the nation for war, the development and better utilization of all resources and all activities of the State for defense.

Art. 2. The Supreme Defense Commission consists of a deliberative committee and consultive organs.

Art. 3. The deliberative committee consists of:

the Duce of Fascism, Chief of Government, President;
the Ministers Secretaries of State, members.

The following will attend as members with consultive vote:

the Undersecretaries of State for the Armed Forces, the Undersecretary of State for the Presidency of the Council of Ministers and the Undersecretary of State for Albanian Affairs;
the Chief of the Supreme General Staff,
the Chief of the Army General Staff,
the Chief of the Navy General Staff,
the Chief of the Aviation General Staff,
the Chief of the Militia General Staff,
the Inspector of Overseas Troops,
the General Commissioner for War Manufactures,
the Secretary of the Supreme Defense Commission.

The President may invite persons with specific competence in the matter under discussion to attend certain meetings of the deliberative committee.

The President may also establish - if the question under discussion renders it advisable - that only those Ministers and members with consultive votes that are specially interested in such questions should attend the meetings of the deliberative committee.

Art. 4. The deliberative Committee formulates the questions on which the consultive organs are called upon to express their opinions, and emanates decisions concerning measures of executive nature.

Art. 5. The following are consultive organs, each for the matters of its own special competence:

- a) the Army Council,
- b) the Committee of Admirals,
- c) the Air Council,
- d) the national center of civilian mobilization of the National Fascist Party,
- e) the National Council of Research,
- f) the General Commissioner for War Manufactures.

Art. 6.

An organ of the Supreme Defense Commission is the General Secretariat which, on the basis of the orders and directions of the Duce of Fascism, Chief of Government and President of the Supreme Defense Commission, will:

prepare in advance - by the collection and coordination of data, information and reports, and by studies - all the elements required by the Duce and the Supreme Defense Commission for the deliberations on the matters discussed;

submit to the consultative organs those questions on which they must express an opinion;

formulate in deliberations, directions and instructions the determinations of the Duce and the Supreme Defense Commission and notify the interested parties to take the consequent measures; follow the development thereof and keep the Duce and the Supreme Defense Commission continually informed so that new deliberations, instruction and directions may be issued if necessary;

maintain close contact between the authorities, organizations and organs interested in the study and solution of questions regarding the Supreme Defense Commission.

Art. 7.

The General Secretariat will be under a General of the Army or an Admiral or a General of the Air Force, appointed by Royal Decree on the proposal of the Duce of Fascism, Chief of Government and President of the Supreme Defense Council.

The Secretary General:

will depend directly from the Duce of Fascism, Chief of Government and President of the Supreme Defense Commission;

will have the faculty of delegating his dependant personnel to take his place in the assemblies at which he represents the Supreme Defense Commission;

may request direct from public and private administrations all elements, information and data that the General Secretariat may require for the study and solution of matters regarding the Supreme Defense Commission.

Art. 8.

The organization of the General Secretariat is established, on the proposal of the General Secretary, by the Duce of Fascism, Chief of Government and President of the Supreme Defense Commission, by decree, and the necessary personnel will be assigned from the various Ministries, by command.

The internal organization of the Secretariat is established by the Secretary General.

Art. 9.

The General Secretariat of the Supreme Defense Council is administered by the Presidency of the Council of Ministers.

The expenditures necessary for its operation will be provided by special appropriations on the budget of the Ministry of Finance (section "Presidency of the Council").

Art. 10.

Section 1 of Royal Decree 8 January 1936, No. 165, approving the codified text of the organization of the Supreme Defense Commission and the service of industrial observers, modified as regards the constitution of the deliberative committee, by law 24 March 1930, No. 526; Law 30 March 1936 No. 806 modifying the organization of the Supreme Defense Commission; Royal Decree Law 3 June 1938 No. 1481 modifying the constitution of the Supreme Defense Commission - are abrogated.

Art. 9 of Royal Decree 8 January 1936 No. 165 is substituted by the following: "The service of industrial observers is placed directly under the General Commissariat for War Manufactures for the performance of the tasks assigned to the Commissariat by R. Decree-Law 14 July 1935, No. 1374, and successive decree of the Chief of Government 23 September 1935."

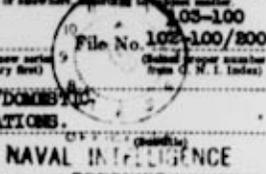
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From T Date 7 June, 1940 Serial No. 505 File No. 102-100/300
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 Subject ITALY POLITICAL FORCES POLICY FOREIGN/DOMESTIC
ITALY INTERNATIONAL RELATIONS
 (Nation reported on) (Index title as per Index sheet)



Reference

NOTE:—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

ITALY'S INTENTIONS IN REGARD TO WAR.

Article in Italian magazine "Relazioni Internazionali" of 1 June, 1940.

1. The following is a translation of an article appearing in the Italian magazine "Relazioni Internazionali" of 1 June, in a leading article:

London and Paris have still not realized that the present crisis of Europe ... is in reality a formidable revolution of peoples determined by the energetic, innovating ideals of the Revolutions of Mussolini and Hitler.

Nor let it be thought that this new Europe which is being constructed by force can be governed under the methods dear to the diplomacies that are disappearing; this new Europe is being born from the indissoluble and balancing encounter of Romanism and Germanism, two forces destined to stabilize the new political situations for centuries.

It is with this inward, unalterable conviction that the Italian people will, at Mussolini's order, intervene in the conflict. The Italian people is Mediterranean. When the Italian people claims for itself the Mediterranean and special situations connected therewith, it is but affirming a historic, natural right

The French and British rejected the claims of the Italian people. Those claims will be established by arms. The moment awaited for more than fifty years has come. The Italian people will combat their French and British enemies with extreme resolution until complete victory is won. The days of inept and sentimental traditions are over. Today there is just one tradition which prevails: that of the supreme interest of the Italian people. We are deliberately calm, and we add that we are without scruple. We are a people of workers; that fundamental fact creates an indisputable right. Those who have wealth, who have selfishly and jealously stored up opulent resources, who have refused any fair redistribution of wealth, must today give. The sole wealth of the Italian people has been wealth of spirit: that today gives us the strength to fight.

The eyes of genuine Italian workers are today more than ever fixed upon Tunis, where Italy's right is consecrated in every bit of sod by the sweat of the Italian farmer and entrepreneur, upon Corsica and Nice, where Italy's need for security coincides with Italian tradition, upon Djibuti whose prosperity depends on the industrial progress achieved by Italy.

Mussolini's people is today equal to its grandiose work. That work is nothing but the conclusion of the national Risorgimento. In all these extremely clear goals which the Italian people is girding up its loins to achieve, there lies the ancient command of the fatherland, the vision of the great and the dream of the fallen; the severe discipline the Italian people has observed for eighteen years; the will of the younger generations, which has already pulverized the sparse groups of the old, ambitious, incredulous, and skeptical. All this will, we think, clear up what the democrats call the Italian enigma. The word lies with the land, sea, and air forces of Fascist Italy, the firmly established expression of the great Italian people, builders of civilization."

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 Subject ITALY POLITICAL FORCES POLICY FOREIGN/DOMESTIC.
ITALY INTERNATIONAL RELATIONS.
 Reference N.A. Rome's Serial No. 282 of 25 May, 1940 - Italy's Present Position.

ITALY'S PRESENT POSITION.
~~CONFIDENTIAL~~

1. At this writing, immediately before the closing of what may be the last pouch for some time, there are unconfirmed rumors that fighting has already started in Libya, whether against the French in Tunis or against the British in Egypt is not said.
2. The American Embassy has heard on good authority that hostilities will commence tonight. The French Embassy has telephoned for a representative of the American Embassy to put the seals on their Embassy property at 5:00 or 5:30 this afternoon. Nothing has been heard from the British Embassy yet (5 p.m.). According to arrangements which were made some days ago the French Embassy staff will leave at 10 p.m. and the British at midnight on the day of departure. The French presumably will go to France via Switzerland. The British will go to Monaco where they embark in an Italian steamer for Lisbon. The Norwegian, Polish and Dutch Legation staffs have been informed that they will leave within 48 hours after the British leave.
3. Since the last report on this subject, Reference (a), preparations for war have gone ahead in Italy at an accelerated pace. Troops have taken covering positions on the Yugoslav border, probably defensive. Troops, guns, supplies and equipment of all kinds have been sent to the French border, especially in the south, again probably defensive - at least for the present. The forces in Sardinia, Libya and the Dodecaness have been greatly increased. There are large concentrations of troops, transports and warships in the Bari-Brindisi-Taranto area.
4. Indications point to an initial attack on Tunis, Corsica and Malta. It is quite certain that the French forces in Tunis have been depleted because of demands on the Western Front. The same is true of Corsica. Malta will probably be heavily bombed from the air. The Allies have no air forces in the Mediterranean comparable to those of Italy. The Allied Fleet at Alexandria is strong enough to give battle to the Italian major ships but the Italian air force and submarine will be difficult to meet. If the Allied Fleet were eliminated from the scene, it is probable that Italy would attack Egypt from Libya and Abyssinia.
5. The French and British Embassies are extremely pessimistic about the whole situation. The French believe that the western front cannot hold out against the numbers and equipment of the attacking German forces.

Att. Ital. Italy

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E. O. 12812, Sec. 3(c) and 3(d) of 1950
 OSD letter, May, 1972
 By SLR Date MAY 22 1973

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(Commons refer series each January first) (Index proper number from O. N. I. Index)

Source of information CONTACT

Subject ITALY POLITICAL FORCES INTERNATIONAL RELATIONS GERMANY
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference NAVAL

NOTE.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personnel, or political names, and the gist of the report.)

CONVERSATION WITH OFFICIAL OF ITALIAN FOREIGN OFFICE ON 14 JUNE, 1940.

~~CONFIDENTIAL~~

1. The following remarks were made by an official in the Foreign Office during the course of a conversation on 14 June, 1940:-

(1) He knew definitely that Hitler had not wanted Italy to enter the war at this time, but that Mussolini realized the war would be over very shortly and he thought that Italy had to be in the role of an actual participant when the end came.

(2) Hitler had two plans of action under consideration as soon as France was liquidated; which he foresaw in the early future. He thought Hitler realized that the greater part of world public opinion was against him and therefore in a very short time he would offer peace terms to both England and France. These terms would be so generous that the world would be astounded. The terms probably would include a reduction in the British Fleet and not surrender. He said that France was practically liquidated now, only mopping up operations necessary. France, Hitler was sure, would accept the terms. If England rejected the offer, one of the two plans would be put into effect. Either a landing in England would be attempted or England would be cut off from the world by an air blockade. That was the time that Hitler had scheduled for Italy's entry into the war. The Italian Fleet could then keep the British fleet from interfering with the execution of either plan that he might adopt.

(3) Hitler was so sure that the war would be over by August that he had ordered a series of grand concerts to be scheduled in Stuttgart for the first two weeks of September. These concerts to be in the nature of a celebration of peace and victory.

(4) The informant added that, of course, all plans would be affected in case either the United States or Russia came into the war.

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 OSD letter, May, 4 1982
 By SER Date MAY 22 1973

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From T Date 20 JUNE, 1940. Serial No. 338 JUL 108-100 102-800
File No. 1003-100
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Contact - Observation
 Subject ITALY POLITICAL FORCES INTERNATIONAL RELATIONS
POLICY FOREIGN/DOMESTIC²
(Nation reported on) (Index title as per index sheet) (Classification)

Reference (a): N.A. Rome Serial No. 313 of 10 June, 1940, 11032-N, (C-10-2)

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ITALY'S PRESENT POSITION. ~~CONFIDENTIAL~~

Italy declares war on France and Great Britain as of 0000 11 June. Only minor demonstrations in Rome. Italians have very little enthusiasm for the war. Personnel of French, British, Norwegian, Dutch, Polish, Belgian and Egyptian Embassies or Legations leave Italy. Leaflets are dropped on Rome; bombs on cities of northern industrial area of Italy. Bulletin issued at 1300 daily is not very informative regarding war activities. With the request of France for terms for an armistice, Italians believed that the war was over. Churchill's speech changed this belief and they now expect that hard fighting is ahead. There have been no wholesale arrests or internment of French or British subjects in Italy. There has been no change in Italy's relations with other countries, outside of France and the British Empire, except that Egypt has broken off diplomatic relations. Turkey has not mobilized.

1. Within an hour after Reference (a) was written it was learned that the French and British Ambassadors had been called to the Foreign Office, separately, between 1600 and 1700 on that day, 10 June, and informed that Italy would consider herself at war with France and England as of midnight that night. At 1800 Mussolini made a speech in the Piazza Venezia announcing Italy's entry into the war.

2. Only minor demonstrations took place after this announcement. One "demonstrating" group consisted of a thirty piece band followed by about twenty Germans in Nazi uniforms, then by a formation of about fifty school boys 10 or 12 years old and about the same number of school girls of the same age. The people in the street looked at the procession without interest. None joined it. That night more noisy groups staged "spontaneous demonstrations" in various parts of the city, probably at five Lire a head.

3. Very little enthusiasm for the war has been shown by the Italian people as a whole. Some sense the gravity of Italy's decision to enter the war. Some feel that this is the opportunity for Italy to get the things that she claims, without much danger to herself. Others are heartily ashamed of Italy's treacherous action towards France in her hour of peril.

4. The French and British Embassy personnel, together with a pre-arranged group of civilians, left Rome the evening of 11 June; the Norwegians, Dutch and Poles, the evening of 13 June; the Belgians 17 June and the Egyptians 18 June. Foreign Office officials were courteous and considerate and did everything possible to facilitate their departure. However during the next few days there was much confusion over the exchange of Consular personnel among the various belligerents. The train bearing the French Embassy personnel was held on the Italian side of the Swiss border for some days pending receipt of information from France regarding the repatriation of Italians. The Italian SS COMTE ROSSO with the British on board sailed from Ancona at midnight 19 June for Lisbon where she will exchange passengers with the British SS MONARCH OF BERMUDA bringing the Italian Embassy personnel from England.

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From T Date 30 June, 1940 Serial No. 358 File No. 102-100 102-200
(Commence new series each January first) (Select proper number from O. N. I. Index)

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1940, Vol. 303 and 303A (16)
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page 2.

5. Blackouts in Rome commenced the night of 10-11 June and have continued nightly since then. On the night of 11-12 June and again on 13-14 June Allied planes flew over Rome dropping leaflets and anti-aircraft fire was opened by batteries within and near the city. During the blackout one night a crowd assembled outside the Vatican walls shouting "traitor" because a bright white light was showing from one of the windows in Vatican City. Many cities in the industrial area in the north of Italy have been bombed heavily in night air raids, particularly Milan and Turin, and the port of Genoa has been bombarded from the sea.

6. Italy's first act of war was the bombing of Malta. The British initial move was an air raid on Tobruk and on the air bases along the coast of Cyrenaica. These were followed during the next week by more Italian air raids on Malta, Biserta, Toulon, Hyeres, Falaise, Port Sudan, Aden, Moiale, Wadir, Coraica, Cagnet des Maures, Cuert Pierrefeu, Berbera, Mandera, Dire Dawa, Ghisonaccia, Borgo Ajaccio, Campo dell'Oro, Calvi, Bonifacio and Porto Vecchio, named in consecutive order as they appear in the daily Bulletins. British and French air activities during the first weeks of the war with Italy were directed at Tobruk, the Cyrenaica frontier, Asmara, Jura, Adi Ugri, Agordat, Turin, Moiale, Eritrea, frontier posts on the Egyptian border, Massana, Genoa, Savona, Cagliari, Palermo, Dire Dawa, Milan, Liguria, centers in Liguria, Piedmont and Sardinia, in order as named in the daily Bulletins.

7. The only mention of land operations made in the daily Bulletins are: activity of small detachments on the Alpine frontier; repulse of Allied effort to take Galisia pass; repulse of Allied forces supported by tanks at frontier posts along the Egyptian border; repulse of Allied troops from Kenya supported by artillery and air forces in the Moiale zone; Italian occupation of localities beyond the border on the Alpine front; attacks of Allied armored units against frontier posts in Italian North Africa were "contained"; violent actions against English forces, supported by tanks, attacking Sidi Azeis in North Africa; reconnaissance activity of Italian troops in the Alps; repulse of Allied column in East Africa.

8. Naval activities referred to in the daily Bulletins are: Italian submarines torpedoed an enemy cruiser (CALYPSO) and a 10,000 ton tanker; one small Italian minesweeper sunk during air raid on Tobruk; enemy submarines tried to hinder movements of Italian fleet and two were hit, one seriously; during bombardment by enemy cruisers and destroyers of Genoa and the Ligurian coast on 13 June, the Italian torpedo boat CALATAFIMI torpedoed two large destroyers, one of which sank; an enemy submarine was sunk by Italian sea planes; Italian destroyers sank two enemy submarines; Italian submarine sank two enemy tankers, one of large tonnage; Italian naval reconnaissance aircraft sank an enemy submarine; an Italian submarine torpedoed and sank a 2500 ton French destroyer.

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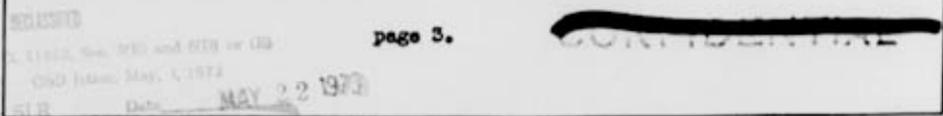
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9. The Bulletins issued in Rome at 1300 each day are not very informative and differ radically sometimes from the information contained in the B.B.C. broadcast from London. Foreign correspondents are required to limit their despatches to information contained in these Bulletins. The items listed in the above paragraphs were taken from Bulletins No.1 to No.9, the latter dated 30 June. Generally speaking the Italian activities have been more intense against Malta, Biserta, Corsica and the Allied Fleet than at other points.

10. On 15 June officials of the Foreign Office expected France to ask for an armistice and, when this was announced on 17 June, there were rumors that England also was ready to give up. Italians generally believed that the war was over. Their reaction was one of relief rather than of jubilation. A feeling of pity for France is widespread and the Press is now trying to counteract it.

11. Churchill's speech changed the belief that the war is over and Italians are beginning to think of short rations and difficult times ahead. Editorials in the Press say that there is hard fighting still to be done and that Italy's share will be great, referring to the war at sea and in the air. Gayda in the Giornale d'Italia refers to France as the pawn and victim of England and calls England "Enemy No.1". He specifically refers to the United States as an ally of England and says that, with the collapse of France, the democratic coalition has changed to an Anglo-Saxon coalition against the rest of the world.

12. At the present writing Hitler's and Mussolini's terms to be offered to France are not known. That the Italian people are beginning to realize that France may not be entirely out of the war is indicated by unconfirmed rumors that France will not accept the terms offered, that the French Air Force has flown to Morocco and that the French Navy had left French ports for destinations unknown. The Italian people are in a state of suspense waiting for developments in the next day or two, with specific reference to their relation to Italy.

13. Up to the present time there have been no wholesale arrests or internment of French or British subjects in Italy. A few individuals have been arrested or detained for short periods.

14. As a result of Italy's intervention in the war, all members of the British Commonwealth of Nations are now at war with Italy and Egypt has broken off diplomatic relations with Italy. There has been no change in the relations between Italy and any of the Balkan states. Turkey has not taken any action and, from information received, does not contemplate any action under the present conditions under her treaty with France and Great Britain. Turkey's failure to mobilize following the entry of Italy into the war is said to be the result of Russian pressure based on the Protocol of 1929 and nullifies

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page 8.

Art. II of the Tripartite Treaty of 19 October 1939. Turkey at present is apparently unwilling to take any action which may involve her in war.

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OSD Issue, May, 1, 1972

By SLR

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PAGE TWO

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5. Minor actions on land continue along the borders of North and East Africa held in common with the Allies. On 21 June, five days after France had been reduced to such condition that the terms of an armistice were requested from Germany, the gallant Italian army launched an offensive on the Alpine frontier extending from Mont Blanc to the Mediterranean. The Italian Press announces advances all along the line. The B.B.C., only source of Allied information and propaganda, states that the Italian forces were driven back with heavy losses at nearly all points.

6. Upon completion of armistice negotiations with Germany, the French plenipotentiaries flew to Rome. They met the Italian plenipotentiaries at 1930, 23 June, at the Villa Incisa in Olgiata near Rome and were given the Italian terms for an armistice. France was represented by Huntzinger, Noel, Laluo, Parisot and Bergaret; Italy by Ciano, Badoglio, Cavagnari, Piccolo and Roatta. The terms were signed at 1915, 24 June. At 1935 Ciano notified Berlin that the Franco-Italian negotiations had been completed and, according to the press, hostilities in France ceased at 0135, 25 June.

7. Since Italy declared war, the Naval Attaché has had several occasions to visit the Ministry of the Navy in connection with American shipping. The first question to arise was that of the S.S. EGGEMONT, of the American Export Lines, which was due to arrive Cyprus 12 June, load a cargo of copper concentrate, and sail for New York on 19 June. The Italian government wished to be assured that the cargo would arrive in New York and would not be diverted to the enemy after passing Gibraltar. After receiving complete information regarding American ownership of the ship and cargo, consignee, etc., and assurance that the Italian Consul General in New York would be informed upon arrival of the EGGEMONT in that port and would be permitted to send a representative on board, the Italian Government has given orders to the contraband control authorities at the Straits of Messina to the effect that the EGGEMONT is to be permitted to proceed without delay as soon as her flag is identified. However, the State Department has informed the Embassy that there is difficulty in getting clearance for the cargo from Cyprus and to date no news of her sailing has been received.

8. There are six other vessels of the American Export Lines in the eastern Mediterranean which will have to pass through the Straits of Messina. No difficulty is anticipated in obtaining clearance for these vessels, specially if assurance is given that the Consul General in New York will be permitted to check them in upon arrival at that port.

9. On 14 June, Admiral Rainieri Biscia informed the Naval Attaché that, in retaliation for an embargo placed by England on all exports from Italy, an embargo effective the following day would be placed on exports from all British territory. On 18 June, Admiral Rainieri Biscia said that this embargo had not been put into effect and would not be for the present.

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10. The Italian S.S. BRENNERO was detained in New York without apparent reason, according to the Ministry of the Navy. Upon presentation of evidence that the BRENNERO is no longer on the Navy list of auxiliary vessels, the BRENNERO was released.

11. When the Italian government was asked, through the Foreign Office, for a safe conduct for the S.S. MCKEESPORT carrying Red Cross supplies to Bordeaux, objection was made on the ground that the list of materials and equipment carried included soap and automobiles, which were contraband of war and might fall into enemy hands. A complete manifest was requested, whereupon, to avoid delay, the destination of the MCKEESPORT was changed to Bilbao, Spain, and the Italian Government so notified. The Italian Government took note of this change in destination to a neutral port and reserved all rights under international law.

12. On 22 June the Italian press announced that Ciano and Sato had signed an Italo-Japanese commercial treaty and spoke of the proposed intensification of trade between Japan and Italian East Africa. This is probably Italy's device for getting needed supplies to Italian East Africa which is at present cut off from Italy.

13. Because of difficulties experienced by the belligerents in getting acknowledgments from their units at sea of instructions regarding safe conducts and because of the slow communications between the various capitals the ships evacuating the British Embassy staff from Italy and the Italian Embassy staff from England did not sail on scheduled time. The Conte Rosso left Ancona at midnight 19 June but was ordered into Catania the following day upon being informed that the Monarch of Bermuda had not left England. The latter finally sailed for Lisbon at midnight 22 June and the Conte Rosso resumed her voyage at the same time.

14. During the first few days after Italy's declaration of war practically no arrests of British or French subjects in Italy were made. During the past week, however, information has been received from most of the large cities in Italy that these subjects are being systematically rounded up. Generally they are being well treated and our consuls are allowed to visit them. Some of the women and old men are being released after a day or two of detention. Only a few concentration camps have been established so in most cases those arrested are held in jail with ordinary criminals under conditions which are not too good. As far as is known, no arrests have been made in Rome, yet.

15. On 24 June the Italian Government took possession of the Villa Medici in Rome, which has housed the French academy and has been owned by France since 1803. This may be the forerunner of seizure of other enemy owned property in Rome and other parts of Italy.

16. Most Italians believe that the war is practically over; that England

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PAGE FOUR

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will not be able to put up much of a resistance alone. Many are ashamed of the part that Italy is playing. Most of them are suspicious of Germany and fear that Russia may upset the apple cart. The defeat of France has produced no jubilation but has been received with an obvious feeling of relief by the Italian people.

17. The reactions of individual Italians to recent events are interesting to note. (a) One couple of well known family are strongly anti-Fascisti and deeply ashamed of Italy's present role. A few days ago they said that they would never again be able to go to Paris and face their French friends after what Italy has done. Now, they feel that the action of France in making a separate peace is just as bad as any of Italy's actions. (b) Another couple, though not in accord with Fascist principles, ride along on the band wagon because of business reasons. The wife, particularly, is a fine person and is anything but proud of Italy's part, at the same time trying to be a good Italian and absorbing some of the Party propaganda. When Italy entered the war the husband said to the wife "Now what will K think of us" referring to the writer. (c) An intelligent, attractive, young widow, who is the daughter of a retired General and who has travelled all over the world, is strongly sympathetic with France and feels that Italian troubles are due to England. She does not dislike the English people but the Government of England. She does not approve of everything that has happened but believes that these things are necessary to correct the injustices of the Versailles Treaty. In discussing these questions she refers to the failure of the allies in the last war to comply with the terms of the Pact of London, to the sanctions, and to the British contraband control measures during the period of Italy's "non-belligerency". (d) A silly young wife of a Fascist Naval Officer said that "this is the day of youth" and Italy's entry into the war is a "glorious opportunity for youth" (e) On Sunday, 16 June, at the golf club a member of the Foreign Office said to the writer, in a most naive fashion, that the Allies were making a mistake in bombing the cities of northern Italy because "it just creates bad feeling". He had in mind, of course, that the Allies would not last long and they should retain what good will remained in Italy. (f) Many foreign wives of Italians, whose incomes came from France or England, are now partly or wholly impoverished. They have sons or relatives in the armed forces of Italy. Generally they do not want Italy defeated or their native countries defeated. A few are bitterly anti-Fascist but, generally, they do not express strong views. (g) Then there is the Italian, and there are many of them, who some months ago feared the effect upon Italy of going to war and disliked the idea of siding with Germany but who today sees Italy in a position to grab something without danger or cost to herself and whose avaricious nature is pleased.

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E. O. 11652, Sec. 1 (a) and (b) of (c)

OSD Letter, May, 1, 1972

By SLR

Date MAY 22 1973

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ATTACHÉ'S REPORT

16010
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From T Date 28 June, 1940. Serial No. 346 File No. 103-100
(Communications new series each January Sec) (Select proper number from O. N. I. Index)

Source of information CONTACT

Subject SPAIN POLITICAL FORCES POLICY FOREIGN
(Nation reported on) (Index title as per Index sheet) INTERNATIONAL RELATIONS ENGLAND
(Subtitle)

Reference

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CONVERSATION WITH SPANISH NAVAL ATTACHE

~~CONFIDENTIAL~~

1. Upon arrival at the Spanish Embassy this morning, I found busy people moving about in the corridors and the clerical force overflowing into the reception room. The Naval Attache, Captain Alvaro Espinosa de los Monteros, first took me into a corner of the reception room but when he found out what I wanted to talk about he asked me to wait a moment and went to his own office, cleared out the people and invited me in there.
2. I told him that I had come to ask a direct question. Yesterday afternoon our Embassy received a report that Italian troops were being sent to Spain and that Spain intended to declare war on England on Thursday (27 June) with the object of taking Gibraltar. I asked if he would tell me what he could about it. Captain Espinosa said that it might possibly be true but that he, personally, had absolutely no knowledge of it. I repeated the question, saying that if Spain were going to war we would like to know about it in order to take measures for the protection of American citizens. This time he said that he had heard Gibraltar discussed and that it was possible that Spain might go to war over it but that he had no definite information on the subject. As I was leaving Captain Espinosa said that although he is a Spaniard he had always been a friend of England and that he had hoped and still hoped that the thing I asked about would not happen.
3. I obtained a distinct impression that Captain Espinosa believed that Spain would go to war eventually, if not on Thursday.

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~~CONFIDENTIAL~~

DECLASSIFIED
 E. O. 11652, Sec. 5(E) and 5(D) or (G)
 OIG letter, May 4, 1972
 By SLR Date MAY 22 1973

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From T Date 5 July 1940 Serial No. 358 File No. 102-100/200
 (Commence new series each January first) (Select proper number from O. N. I. index)

Source of information OBSERVATIONS - CONTACTS.
ITALY - POLITICAL FORCES - POLICY - FOREIGN/DOMESTIC

Subject ITALY - INTERNATIONAL RELATIONS.
 (Nation reported on) (Index title or page index sheet) (Subtitle)

Reference (a) N.A. Rome's Serial No. 343 of 25 June, 1940 - Italy's Present Position.

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ITALY'S PRESENT POSITION

~~CONFIDENTIAL~~

No change in position of Italy since last report. The people still believe the war is about over. The daily war communiques continue to report Italian victories, although rumors indicate that there were large losses on the Alpine frontier and things are not going well for Italy in Africa. The Foreign Office is concerned over the loss of life among Italian prisoners of war in the "Andora Star" and over ill treatment of Italians in England. Italian Press calls the British attack on French ships at Oran "cowardly". Italy is somewhat nervous over Russian action in the Balkans. The Italian Government has been lenient in granting clearance through Messina to American cargo vessels. French property in Rome has been sequestered but Britain and Italy have an agreement not to take this action. Italy did not receive her normal quota of Rumanian oil during the first quarter of 1940. The Italian people are now learning how Balbo was killed. Ciano is evincing interest in the United States' attitude toward the war.

1. There is nothing of outstanding importance to report in regard to any change since the last report in Italy's position relative to the war. Italians, generally, continue to believe that the war is practically over, that England will be overrun in two or three weeks, or a month at the most, and that Italy will then get her rights and become a great power. Rumors say that peace negotiations between Germany and England are now going on via Sweden.

2. The daily war communiques continue to claim Italian victories on all fronts. Nos. 15 to 24 inclusive, dated 26 June to 4 July, are not very informative. Successful attacks are claimed to have been made, or enemy attacks to have been repulsed, at Asmara, Dire Dawa, Massua, Assab, Berbera, Moyale, Okobo, Gallabat, Metemma, Capuzzo and Misaid. The bombing of Malta and Aden continue. Claim is made of successful air attack on a large British Convoy in the south-eastern Mediterranean. A naval force bombarded the British naval base at Sollum. Enemy air attacks on Palermo, Augusta Bay and Naples are claimed to have done little damage. However, the American Consul at Palermo reports that important military objectives in Palermo were hit (not including the underground oil storage at the base of Mt. Pellegrino) and 25 people were killed and 153 injured. The B.B.C. reports that at Augusta Bay an oil refinery was destroyed. The loss of another submarine is admitted, making two since Italy entered the war, whereas the B.B.C. claims that thirteen Italian submarines have been sunk during this period.

3. Rumors current in Rome do not conform to the cheerful tone of the daily communiques. The hospitals in Rome are full of wounded and it is said that the military activities of the Italian army on the Alpine frontier just before the armistice was signed resulted in very large losses. It is also said that things are not going well in Africa for Italy. Other rumors indicate that Italian land and air forces have gone to Belgium to take part in the attack on England.

4. This morning the Italian Foreign Office is very much concerned over the B.B.C. report of the loss of life among Italian prisoners of war on board the "Andora Star" which was torpedoed and sunk by a German submarine off the Scottish

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Division	B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9, B-10, B-11, B-12, B-13, B-14, B-15, B-16														
Tech. Div.	C. in C. U. S.	Com. Sec. Div.	Com. Sec. Div.	C. in C. Adm.	Com. S. S. S.	Com. Air	Attended at	Operations			Com. Div.	W. F.	Com. M. T.	Com. Sec.	Return to Exec. No. 1715

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PAGE TWO

N. O. 11682, Rev. 3(7) and 3(2) of 3(3)

OOD Form. 384, 1, 1938

By SLR Date MAY 6 1940

~~CONFIDENTIAL~~

coast. The Foreign Office wants to know if the International Red Cross had been notified that these prisoners were on board.

5. Arrests of British subjects continue throughout Italy, except in Rome. Many have been released after examination and, as far as is known at present, the treatment of those detained is generally satisfactory. The Italian Government continues to receive information of the ill treatment of Italian nationals in England.

6. This morning's Italian Press refers to the British attack on French ships at Oran as a "cowardly" action. The question is too new, however, for a complete reaction to have been expressed.

7. The Press is cautious in its comments on the Russian action in Roumania. The Foreign Office is obviously nervous but states that a spread of the war in the Balkans is not anticipated and that everything possible is being done to restrain Hungary and Bulgaria from pressing their claims on Roumania at this time. Balkan military and naval attaches in Rome, except those from Hungary and Bulgaria, are followed continuously by plain clothes men.

8. The Italian government has been quite lenient in granting in advance clearance through the Straits of Messina for the S.S. **EXPLORER** and the S.S. **EXPLORER**. The former carried a cargo of copper concentrate from Cyprus; the latter included in her cargo 6,000 tons of chrome from Mersina, 1000 tons licorice from Alexandretta, 200 tons of lumber and 900 tons of asbestos from Cyprus. The only guarantee required in each case was that the Italian Consul General at New York be notified upon arrival of these ships and be permitted to check the cargo.

9. The Italian Government has taken over the Villa Strohl-Fern in Rome, in addition to the Villa Medici, which was owned by the French government. The British and Italian governments have mutually agreed not to sequester each other's property in their respective countries.

10. Because of haggling over the price, Italy did not get her normal quota of oil from Roumania during the first quarter of 1940 and a credit of 50 million lire has accumulated. Now there is a conference going on in Rome regarding means of transportation of the oil from Roumania to Italy, the Mediterranean route being closed. Two routes being considered are via the Danube to Budapest, thence by rail, or all the way by rail. It is expected that two or more train loads of oil a day will use up the available surplus by the end of the year. Germany has been getting four and a half trainloads a day and now wants six, which may interfere with Italy's needs. Yugoslavia asks payment in valuta for transportation across that country, to which Italy objects.

11. The Italian Press has not bothered to correct its first reports that

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PAGE THREE

~~CONFIDENTIAL~~

Marshal Balbo was killed while leading his air forces in action over Tobruk although it is now becoming generally known that Balbo's plane arrived at Tobruk shortly after attacking British planes departed and he was shot down by his own batteries in the belief that his was an enemy plane returning to attack.

12. In a conversation with our ambassador on 3 July, Ciano evinced considerable interest in what is going on in the United States. He asked about the attitude of the Republican nominee, Wendell Wilkie, and was told that it is about the same as President Roosevelt's. He asked if the present desire of the American people not to enter the war might change and was told that, if London were bombed and destroyed and large numbers of people were massacred, that might cause a rise in the temper of the American people sufficient to make them want to go to war. In reply to a question concerning preparations for war, Ciano was told that we have a vast program for expanding, arming and equipping the armed services and were making preparations for any contingency that may arise. Referring to the large capacity of the United States for manufacturing war equipment, he asked if pilots could be obtained in sufficient numbers. He was told that all parts of the United States are now connected by commercial air lines which require a large number of pilots who could be used in war in addition to trained military pilots. He volunteered the information that he had always believed that commercial pilots made the best military pilots.

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E. O. 11652, Sec. 3(D) and 5(D) or (E)

OSD letter, May, 4, 1972

By SLR

Date MAY 9 1973

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From T Date 31 July, 1940 Serial No. 403 File No. 102-100/200 102-100
Source of information CONTRACTS - OBSERVATIONS -
Subject ITALY POLITICAL FORCES POLICY FOREIGN/DOMESTIC.
Reference (a) N.A. Rome's Serial No. 358 of 5 July, 1940. 11032-NIC-10-h

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ITALY'S PRESENT POSITION

NAVA CONFIDENTIAL

Daily war bulletins issued in Rome are deliberately misleading. Even Italians do not believe them any longer. Stories to the effect that things are not going well are circulating in Rome. The first list of naval casualties was published 18 July. Graziani has improved Italian morale in Libya. There are 250 heavy German tanks in Libya but no German planes. An attack on Egypt is planned to coincide with the German attack on England. Transport planes are being used to take material and equipment to Libya to reduce the number of convoys required. Italy's foreign trade has been paralyzed since entering the war and arrangements are being made to increase trade with countries which can be reached by rail. Italy received over 1,000,000 tons of coal from Germany in June. The Italian wheat crop is below average; other grain crops are normal. Strict economy measures are in force in regard to sale of flour, sugar, meat and gasoline. The cost of living is rising. Italy has been putting pressure on Spain to declare war. Both Italy and Germany want peace in the Balkans. Ciano denies having discussed with Hitler plans for reorganizing Europe. Italy now realizes that England will continue to fight and that Italy may suffer losses and experience hardships. There is much defeatist talk in Rome. On the other hand many people believe that Germany will defeat England in a few days. British nationals in Italy are being interned in small inland towns. Mussolini demonstrated his physical condition to foreign correspondents on 27 July.

E. O. 11642, from SEC and NCI to CNO

CNO Issue, May, 4, 1939

MAY 22 1973

1. The bulletins on the progress of the war issued at 1300 daily in Rome continue to be uninformative, inaccurate and deliberately misrepresentative, so obviously so that few Italians believe them.

2. The Bulletins and the Italian Press have pictured an unbroken series of victories for Italy on land, at sea and in the air. Even the sinking of the Bartolomeo Colleoni by the Sydney was twisted into a glorious action which demonstrated Italian control of the Mediterranean. The aero-naval actions in the Ionian Sea and in the Western Mediterranean on 9 July were presented as the frustration of an English effort to bombard the coast of Italy, in which the enemy suffered grievous losses. Italian submarine losses have been greatly minimized and the people know it. Italy has admitted the loss of 6 submarines; the British say that 22 have been destroyed, 8 by the French and 14 by themselves; rumors in Rome put the losses at from 24 to 36 out of 117 built and 4 building when Italy entered the war. The bubble created regarding the glorious victories on the French frontier was soon pricked by the stories of desertions, blunders and incompetence of the commissioned personnel told by the wounded returning from that front. Stories to the effect that things were not going well in Libya have been in circulation. The people are not much impressed by the exploits of the Air Force or by Italian A.S.A. defenses.

3. The Italian Press of 18 July published the first Navy casualty list of 385 killed, 284 missing and 149 wounded - total 609. A comparison of the officers' names on this list with the latest "Navy List" available, dated June, 1939, indicates that casualties suffered in the naval actions 8-13 July have not been included. Four names of officers attached to the submarine PROVANA

Table with columns: Division, A-B-C-D-E, Message, Arch, Index, C.M.O., Com, War, H.I.B., Rec, Oct, I.S.B., C.S.B., Rep, R.S.A., M.S.R., Acc, U.S. M.C., H.O. Includes rows for Tech Div, C.W.C., U.S., Com, Sub, P., Com, Sub, P., C. in C. Arch, Com, A.S.S., Com, Air, and various other categories.

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REMARKS PAGE TWO
O. 11422, Dec. 230 and 212 or 218
Cable Service, May, 5, 1939 MAY 22 1939

are listed, so it may be concluded that that vessel has been lost. Casualties include one officer each in the following submarines: - **BORGARICO**, **FILII**, **GALILEI**, **KALADE**, **CORALLO** and **ORDINA**. However, this is not a sure indication of damage or loss of these vessels as the officers concerned may have been transferred since the June 1939 Navy List was published. Other officer casualties listed are one each in the **TRIESTE** and **FULMINE**, and two each in the **ESPERO** and **EUGENIO DI SAVOIA**. The **ESPERO** has been admitted sunk. Analysis of future casualty lists may give clear indications of the ships which have been sunk or damaged.

4. It is said that esprit in Libya has greatly improved since the arrival of Graziani to replace Balbo. Balbo was greatly loved by his people in Libya but Graziani is Italy's greatest field general and the people have confidence in him. From a good source it is learned that there are 250 heavy German tanks in Libya and an offensive against Egypt is being planned to coincide with the German attack on England in the early days of August. Another source states that there are no German airplanes in Libya. Italian transport planes have been busy transporting to Libya all manner of supplies and equipment from small field pieces to clothing and bedding.

5. The reason for using transport planes to take material to Libya appears to be a desire to reduce to a minimum the number of convoys crossing the Mediterranean. Although the route is flanked by Italian naval and air bases, Italy has no great confidence in the security of her convoys, especially since the naval actions in the Ionian Sea. The transportation by sea of drinking water and certain other necessities to Libya must continue but planes are being used as far as practicable for other materials. At present, troops arriving in Naples enroute Libya are being delayed at that port.

6. Italy's foreign trade has been paralyzed since Italy's declaration of war. Quotas with countries which can be reached by rail are being revised and new trade agreements have already been made with Slovakia, Yugoslavia, Switzerland and Romania. A Railroad Traffic Conference, at which Balkan States were represented, was recently held in Rome. Oil for Italy will be transported from Rumania by rail. In June Italy received over a million tons of coal from Germany by rail. Fairly reliable information indicates that Italy's airplane production has remained at the prewar level of 40 a month and any additional planes required will be obtained from Germany.

7. The Italian wheat crop was damaged by wind and rain and is somewhat below the average. Other grain crops are about normal. Only one grade of flour is permitted, yielding about 90% from wheat; no coffee is sold; sugar for sweets has been reduced 50%; there are four restless days per week; private automobiles are not allowed to circulate; metal coins of 1 and 2 lire are being replaced by paper money. The government policy is to prohibit increase in prices and in wages but the cost of living is steadily rising.

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Subject (Station reported on) (Index title as per index sheet) (Subsidiary)

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PAGE THREE

8. Italy has been putting pressure on Spain to declare war, attack Gibraltar and permit Italian planes to base in the Balearics. It is rumored that there are five divisions of Italian troops in Spain to assist in taking Gibraltar. The best information indicates that Italian planes are not basing in the Balearics in spite of rumors to the contrary.

9. Italy, like Germany, wants to maintain peace in the Balkans. Pressure is being brought to bear on Roumania to cede part of Transylvania to Hungary and high Italian authority has said that Roumania is "responsive to present needs". Bulgaria can wait until the war is over for a settlement in the Dobruja. Italy has assumed a threatening attitude toward Yugoslavia and has over 300,000 troops on the Yugoslav frontier in addition to about 110,000 in Albania. Italy looks askance at the increasing friendly relations between Yugoslavia and Russia. Relations between Bulgaria and Yugoslavia appear to have improved.

10. Ciano denies having discussed the reorganization of Europe with Hitler but the Italian Press, while somewhat reserved on the subject, indicates that Hungary and Spain will be given privileged positions, France as a vanquished power must pay, England will have no share in the reorganization, and danger for Roumania is indicated. The fate of Belgium, Switzerland, Yugoslavia and Sweden is left in doubt.

11. Italian hopes that England would accept peace terms offered by Hitler, which had been raised by rumors that peace talks were going on in Stockholm and in Madrid, were dashed by Churchill's speech, then raised by Hitler's speech, and then dashed again by that of Halifax. Since it became evident that England intended to continue the war, the hope of collecting the spoils without putting forth much effort has vanished and now there is much defeatist talk in Rome. Many Italians predict a long war with severe losses and suffering for Italy. They do not like being bottled in the Mediterranean, or the naval situation, or the situation in North and East Africa. Nor do they like Italy's complete dependence upon Germany. From a source that should be accurate, it is learned that the terms of an agreement between Italy and Germany give the German secret police (Gestapo) a free run in Italy. They do not make arrests but may pursue their investigations independently and denounce individuals, whereupon the Italian authorities make the arrest. The Italian secret police (Ovra) have similar privileges in Germany. The shortage of food in Europe in case of a long war is another point troubling the Italian mind.

12. On the other hand there are many Italians who believe that Germany's attack upon England will begin in early August and that England will be conquered in a few days. They are unable to understand England's "stubbornness" in fighting on in the face of Germany's warnings and can only believe that England still does not realize Germany's military strength.

13. The business of arresting and interning British citizens in Italy has been proceeding slowly. Small inland towns are used as the places of interment,

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PAGE FOUR

rather than internment camps, and while the internees have no comforts they are not suffering great hardships, as far as this Embassy has been able to determine. A number of Italian Jews have been interned in the same way.

14. On Saturday, 27 July, Mussolini invited the foreign correspondents to the Villa Abronia to watch him ride in the early morning and to play tennis in the afternoon. They testify to his obviously good physical condition but describe the whole performance as somewhat ridiculous.

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E. O. 11652, Sec. 2(e) and (d) as (b)
OSD Letter, May, 4, 1972
By SLR Date MAY 22 1973

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PAGE TWO.

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MAY 22 1973

5. In order to allay the fears of the people, the Press, by quoting and misquoting the speeches of prominent Americans, has endeavored to prove (a) that the United States will not enter the war and (b) that, if the United States should enter the war, it would be too late to save England.

6. Early in August the Italian Press launched a campaign against Greece in what appeared to be an effort to pick a quarrel. Greece was accused of unneutral service in permitting British tankers and non-of-war to use Greek anchorages. Then Greece was accused of having instigated the murder of Deut Hogja, who was represented to be an Albanian patriot and leader but who actually was a bandit with a price on his head who had been murdered about two months before the Italian Press thought to accuse Greece. Then came the torpedoing of the Greek mine-laying cruiser "Melle" by an "unknown" submarine and finally the bombing of two Greek destroyers by "unknown" airplanes. The bombing planes were recognized as Italian and, according to the Press, Italy apologized for the bombing stating that the destroyers were thought to be British.

7. The exact objective of this anti-Greek campaign is not clear and there is much speculation not only in Italy and Greece but in the other Balkan states which may be involved. One theory is that the purpose of the campaign is to oust Metaxas, who is playing the German game, and to install a government that will comply with Italian wishes where they conflict with German interests, repudiate the British guarantee and prevent the use of Greek ports by ships of the British fleet. Others believe that it is preparatory to a demand upon Greece to cede Corfu and to permit Italian warships to use ports in the Island of Crete or a demand upon Greece and Yugoslavia for territory for a Macedonian annex to Albania. A wide-spread belief has existed that the Press campaign against Greece is just a smoke screen to cover up the disturbances which have taken place recently in Albania in which Italian troops were ambushed and suffered losses. During the past 48 hours foreign news services have announced that Italian troops in Albania are being shifted from the north to the Greek border in the south but, as there are only about 120,000 Italian troops in Albania and as a half million would be needed for an offensive, it is thought that Italy is not preparing for a military venture but expects to attain her objectives by blackmail and threats. A most likely theory is that the threat against Greece is to divert a part of the British fleet to the defense of Corfu or other Greek territory thus relieving the pressure from British forces aloft against the projected attack against Egypt to capture Alexandria and the Suez Canal.

8. Large scale operations in Libya at this time of the year are difficult because of the weather. Until recently it has been the general belief, however, that an attack on Egypt, with its objectives Alexandria and the Suez Canal, would be launched about the middle of August to coincide with the German invasion of England and with Spain's entry into the war and attack on Gibraltar. Now it is believed that the attack on Egypt will be delayed until fall weather sets in. Especially since the replacement of Balbo by Graziani, there have been intense preparations in Libya for an attack on Egypt. It is estimated that there are

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 113000 (See 200 and 201 or 22)
 OSD letter, May 1947
 DATE MAY 22 1973
 PAGE THREE
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about 300,000 Italian troops plus 35,000 to 50,000 native troops in Libya, probably the maximum number that can be supplied with water, food, gasoline and other necessities. The collapse of France and subsequent failure to continue the war of the French forces in Morocco, Algeria and Tunis released all Libyan forces from the western border and permitted the use of their full strength against Egypt and the Sudan. Likewise the defection of the French in French Somaliland and the recent evacuation by the British of British Somaliland releases a powerful Italian force to contain British forces on the Sudan and Kenya borders of Ethiopia and Italian Somaliland.

9. Italy very much desires the entry of Spain into the war and from time to time there are rumors that Spain is about to declare war on England and attack Gibraltar. According to information believed to be reliable, shortly after Italy declared war a formation of planes commanded by Ettore Muti, Secretary of the Fascist Party, landed in the Balearic Islands expecting to force Spain's hand. However, they were told to get out. From the same source it is learned that recently German agents in Spain have endeavored to justify Russia as an ally and that France does not like it. Franco is reported to have rounded up German sightseers from occupied France and sent them back across the border.

10. An informant, who is in a position to know, states that Admiral Cavagnari is very much concerned over the naval situation, particularly the large loss of submarines, the shortage of torpedoes and the diminishing supply of oil. Admiral Cavagnari is said to be personally supervising the issue of torpedoes to the fleet. Informant, who is strongly Fascist and was formerly very enthusiastic toward the war, now believes that Germany cannot win and that Italy is lost.

11. Several versions have been heard, indicating that there is some basis of fact, of a story that a code book was obtained from a captured Italian submarine by means of which the British enticed other submarines to rendezvous and destroyed them. One version gives eight as the number thus destroyed, another gives fourteen.

12. The development of air defenses and the placing of sand bag protection are continuing in all large cities throughout Italy. This and recent bombings in northern Italy make the people realize that the end of the war is not imminent. Their feeling of comparative security is disappearing.

13. During the past few weeks there has been much defeatist talk in Italy among all classes. The extension of the war makes them wonder where food and supplies are coming from. Most of the older generation have never approved of the war and do not like the alliance with Germany. One old shop-keeper in talking to an American woman said that Italy's entry into the war was disgraceful, that Italy could never hold up her head again, and that all of the trouble is due to the ambition of "those two bandits". A few of the older members of the aristocracy who are known to be against the Party and who have been too

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outspoken have quietly disappeared - taken off to jail. The lower classes encountered in walking through side streets occasionally make comments favorable to Americans and English and derogatory to Germans. The pessimistic informant in paragraph 9 above is an older officer. That there is not only pessimism but actual disloyalty among the younger officers, who might be expected to antise over the war, is indicated by a conversation among several young reserve officers who had just been called up who were not only anti-German but even stated that they hoped England would win the war. They said that if they ever had to face an enemy they would take care of their own skins and be careful not to be killed or wounded.

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ODD letter, May, 1, 1972

By SLR Date MAY 22 1973

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INTELLIGENCE REPORT

907
102-100/800

Serial 516-40
(Start new series each year, i. e. 1-95, 2-96)

Monograph Index Guide No. 103-100
(To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate reports for each main title.)

From T at Rome, Italy Date 27 Sept. 1940
(Ship, fleet, unit, district, office, station, or person)

Reference N.A. Rome's Serial No. 446 of 23 Aug. 1940. CONFIDENTIAL
(Directive, correspondence, previous related report, etc. if applicable)

Source Contacts. Evaluation (As reliable, classified, unclassified, etc.)
(As official, personal observation, publications, press, communication with—identity)

Subject ITALY-POWER-POL. FOREIGN POLICY-FOREIGN DOMESTIC ITALY-ARMY-OPERATIONS.
(Main title of report) (Main title of report) (Main title of report)

Summary—(Class enter capital summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

ITALY'S PRESENT POSITION

The Italian people realize that the war will probably be a long one and are displeased at the prospect. There is a surprising amount of criticism of the government and subversive activities exist. Many individuals have been arrested. Prefects make monthly report to Rome on public sentiment. Bombing of Italian cities has had a marked effect on morale. Repopulation of the alto Adige has proved to be a difficult problem and the departing Tyroleans show bitterness and contempt toward the Italians. Italy continues to fortify her German border. The raw material situation in Italy is bad and Italy is facing a serious shortage of oil supplies. The food situation is generally good but prices are high. Admiral Cavagnari is said to have given orders to Italian ships not to accept action. He is concerned over submarine losses, shortage of torpedoes and diminishing oil supplies. The POLAENO was severely damaged in action 9 July. The CAVOUR was probably damaged at the same time. There is no confirmation of Italy taking over French ships at Toulon. The British Fleet has "mastery" of the Mediterranean and meets no opposition from the Italian Navy. The burden of controlling the Mediterranean has been shifted entirely to the Air Force and aviators complain of the inactivity of the Navy. The Air Force is using some German planes and has sent planes and pilots to Germany. British land, sea and air forces in Egypt have been reinforced. Further advance of Italian force into Egypt is difficult. Malta is still holding out. The Press campaign against Greece continues. Italy is prepared to attack Greece or Yugoslavia if opportunity offers. Germany is said to be exercising a restraining influence. The Danube Commission has been abolished. Russia has protested against being omitted from the group of Danube Powers at the conference in Vienna. Russia is massing troops on the Hungarian border and endeavoring to foment a revolution in Hungary. This will give Germany a pretext to take action. Turkey has followed a pacific policy and has been warned of possible isolation from the new Europe. Spain is under pressure from the Axis powers and may be forced to join them. Ciano, Ribbentrop and Sauer are conferring in Berlin today. In Rome correspondents have been told to stand by for important announcement and the people to have Spanish and Japanese flags ready. Italy though weak in many respects is able to take the offensive because of lack of strong opposition.

R. N. 11542, Form 100 (Rev. 4-21-39)

Old letter, Nov. 4, 1937

By SLK Date MAY 22 1973

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1. The Italian Press and daily war Bulletins continue to claim Italian victories on every possible occasion. Complete control of the Mediterranean and the Red Sea are claimed. The "victory" in Somaliland was cited as an example of the valor of Italian arms and as another indication that the British Empire is cracking up.

2. However, the repeated putting off of the predicted date of the capitulation of England has been too much even for Italian credulity and the people now realize that the war will not end in the immediate future. Italians of all classes are much concerned at the prospect of a long war. They say that Hitler promised a short war and is not putting forth his best efforts to bring it to an end. Italy entered the war only when it was believed to be about over. In Naples thousands of Italian and German flags were ordered to decorate the city in celebration of an axis victory.

3. Many people are disappointed that Italy did not get more out of the Armistice with France. They are much concerned at the increasing material assistance being given to England and at the possibility of the United States entering the war. They feel that the war is not going well and have very little confidence in the future. There is a surprising amount of criticism of the government, particularly among small shop keepers and the very poor. In Palermo, where there is much poverty, scarcity of food and high prices, this criticism has assumed an ugly aspect at times. In Milan subversive activities are carried on by an organization calling itself the "Committee for the Constitution of the Republic of Cisalpine Italy".

4. Many people, high and low, have been arrested for expressing themselves too freely. Prince Torlonia, husband of the Spanish Infante, much to the delight of everyone who knows him, was arrested for criticism of the Government, held for a few days and then released. Prince Doria, head of one of the oldest families in Italy, although in poor health, is now in a labor camp located near the heel of the boot. Signor Giovanni Fumai, Italian representative of the House of Morgan and a well known anglophile, is now under arrest and probably is headed for internment.

5. Prefects are required to make a monthly report to Rome regarding public sentiment toward the war, local affairs, adequacy of supplies of merchandise in shops, volume of sales, etc. These reports are compiled from the reports of the various Police Captains. The latter sometimes make inaccurately favorable reports for fear of losing their jobs.

6. The morale of the Italian people probably suffers more from the effect of air raids than that of northern races. The people were surprised and shocked when air raids on northern Italian industrial towns again commenced after the capitulation of France. The air raids on Palermo by planes based on Malta have resulted in about 10,000 of the wealthiest people leaving that city. Turin, Milan and Genoa have also had large exoduses. Material damage has been considerable but its exact extent is not known. It is believed that at least one raid on Genoa early in September was made by carrier-based planes, which have on several occasions bombed Cagliari. Work is going ahead all over Italy of covering all important monuments with sand bag protection and on constructing fragment-proof shelters. There have been very few raids over northern Italy during the past two or three weeks because the R.A.F. has been busy elsewhere. The early sounding of the alarm during the last few raids on Turin and Milan indicates that warning was given from Switzerland when British planes passed over that country.

7. Great difficulty is being experienced in repopulating the Alto Adige. Italians brought in from the south have failed to establish themselves and have departed. The evacuating Tyroleans manifest great bitterness and contempt toward Italians. They expect that some day the Tyrol will be incorporated in the Reich and then they will return. Strongly enough Italy continues to build fortifications along the entire German frontier.

DECLASSIFIED

E. O. 11652, Dec. 22, 2001 and EO 12958

CLASS. AUTHORITY: 50 CFR 17.105

MAY 22 1972

By SP-5

Date

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N.A. Rome 516-40 of 27 Sept. 1940

8. The raw material situation in Italy is bad and many businesses are shutting down for lack of raw materials. It is said that steel for completion of the battleships *RGLA* and *IMPERO* is coming from Germany via Switzerland. Italy is facing a serious shortage of oil supplies. The large refining plant at Livorno has already shut down for lack of crude oil. When Italy entered the war three and a half months ago, the large plant at Naples had on hand only a four months supply of crude and has received only small quantities since then. Abonetti, the Assistant Manager of the Italian owned *Aquila Oil Refineries of Trieste* has recently been in Zagreb conferring with the General Manager of the *Socony-Vacuum Company (Smith)* with a view to getting oil supplies from Roumania via Yugoslavia by barges from *Giurgiu* to *Brod* and thence by tank cars to Italy. This will be difficult as about 75% of the barges on the *Danube* are in use by Germany. Smith promised nothing. Italian owned refineries (*A.G.I.P.*) at present are receiving small quantities of oil direct from Roumania in tank cars via Yugoslavia and by barges to *Budapest* and thence by tank cars to Italy.

9. The food situation in Italy is generally good. This year's wheat crop is smaller than usual but all other grains have been harvested in normal or greater than normal quantities. At this time of the year there is an abundance of fresh fruit and vegetables but preserving of fruits for the winter in private households is almost unknown in Italy, probably because of the lack of sugar. Coffee, tea and sugar are carefully rationed and there are four meatless days a week. Only one grade of bread and one grade of "pasta" are permitted and the quality is not high. Prices are supposed to have been stabilized but have been steadily mounting and the poorer classes are suffering, particularly in cities such as *Palermo* and *Naples* where protest demonstrations have occurred at times. A few "necessary" articles, such as laundry soap, are gradually disappearing from the market.

10. Information believed to be accurate indicates that *Admiral Cavagnari* has given orders to ships of the Italian Navy not to accept action under any circumstances and this policy appears to have been confirmed by events of the past few weeks. Although the British Fleet has been active throughout the Mediterranean, it has not in any recent instance been attacked by the Italian navy. Junior officers have indicated that they have no desire for combat with the British Fleet. *Cavagnari* has expressed his great respect for British gunnery. He has been gravely concerned over the large submarine losses, the shortage of torpedoes and the dwindling oil supplies. It is said that an investigation is being made into graft in connection with supplies for the Navy.

11. Italy has officially admitted the loss of eight submarines; officials in the Ministry of Marine have admitted to the Swedish Naval Attache the loss of twelve; and the actual losses are believed to be in the neighborhood of thirty. Another cause for concern is the lack of trained crews for submarines. A peacetime rotating reserve system, combined with the conscription system, has left the Italian submarine service short of trained crews in time of war. Information indicates that at least a few Italian submarines have gone to *Bordeaux* for operations in the Atlantic.

12. No official announcement has ever been made of damage to the *BOLZANO* in the action in the Ionian Sea on 9 July. Information from a doubtful source that that vessel was damaged has now been confirmed. An eye witness states that the *BOLZANO* arrived at *Augusta Bay* with a bad list to starboard. Another informant states that she was down by the head and her officers thought she would not reach port. Later the *BOLZANO* was shifted to *Livorno* for repairs and some of the officers were detached because she was "undergoing extensive repairs". Information that the *CAVOUR* also was damaged in that action appears to be correct though not definitely confirmed.

13. There has been no confirmation of a report published in the Swedish Press in the latter part of August to the effect that Italy was taking over certain French men-of-war at *Toulon*.

~~CONFIDENTIAL~~

14. In spite of Italian propaganda claims to control of the Mediterranean, British Convoys sail the length of that sea from Gibraltar to Alexandria and through the Aegean to Alexandria. Supplies, equipment and reinforcements have been transported through the Mediterranean to all three of the British armed services in Egypt. British naval forces have bombarded Libyan ports and Italian land forces advancing along the shore into Egypt and have made sweeps out into the Mediterranean almost at will. Well informed Italians know this. As one Italian Army Officer said "The British have 'mastery' of the Mediterranean". For several weeks all of these operations have been conducted without opposition from Italian naval forces.

15. The entire burden of controlling the Mediterranean has been placed upon the Italian Air Force, which is inadequate for the purpose, while the Italian Navy remains in port. Foreign observers in Italy believe that the Italian Air Force has no bombs sufficiently large to make effective attack on capital ships and has no planes designed and built properly to launch the largest bombs that they have. Aviators have been heard to grumble at the lack of initiative of the Italian Navy against British naval forces and convoys. It is known that some German planes are now being used by the Italian Air Force. On 11 September it was learned that 400 Italian planes and pilots had been asked for and would be sent immediately to Germany. It is known that during the next few days pilots left Rome and planes left from other localities for Germany. One pilot is known to have gone to Germany from Rome and to have returned four days later for some unknown reason.

16. Churchill has stated in Parliament that the British land, sea and air forces in Egypt have been heavily reinforced during the past few weeks, the naval forces to nearly twice their former strength. From a well informed Italian source, it is learned that the 120,000 British troops which were in Egypt about a month or six weeks ago have been reinforced. Other sources say that there are about 200,000 British troops in Egypt, part of the reinforcements coming through the Red Sea. Equipment and material received by the British includes tanks and armored cars, Hurricanes and Spitfires now augment the outmoded planes already in service in Egypt.

17. The Italian forces in Libya number not more than 300,000 and only part of these are available for use against Egypt as a considerable force must be left on the Tunis border until the situation in Tunis and Morocco is cleared up. The present advance into Egypt from Libya has been made against very little opposition. At Marsa Matruh, the Italians expect to meet real opposition and are now organizing at Sidi-Barani before further advance. From Marsa Matruh to Alexandria is a long stretch of waterless desert, now traversed by a railroad which would undoubtedly be destroyed if necessary for the defense of Alexandria. Italians are not sanguine concerning the success of such an expedition. The Italian attack on Egypt was intended to coincide with the German invasion of England. Now Italy is physically committed to the attack on Egypt but the invasion of England has not come off on schedule.

18. Malta continues to hold out in the face of repeated bombing. It is said that there is a serious difference of opinion between Ciano and Badoglio regarding Malta. The former wants to take Malta by landing operations because he believes an Italian victory is needed at this time for purposes of morale. Badoglio believes that larger losses would be incurred than are advisable.

19. The Press campaign against Greece has continued intermittently for several weeks. A few weeks ago there were about 140,000 Italian troops in Albania but this number has been greatly increased. Also preparations are being made to take Greek islands by landing troops from Rhodes. Greece has been quietly preparing her own defenses but has been careful to give no pretext for attack to Italy. Italy has not issued an ultimatum to Greece but has been preparing a situation of which she can take advantage if opportunity offers. Germany has used a restraining influence in order to prevent trouble in the Balkans at the present time. After Roumania renounced the British guarantee, it was implied that Greece might do likewise and might come within the Axis sphere but Greece appears resolved to resist all such advances.

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U. S. STATE DEPT. FORM 100 and 100a (25)
GPO: 1967 O-345-717

By SLR Date MAY 22 1973

N.A. Rome 516-40 of 27 Sept. 1940

CONFIDENTIAL

20. Italy is prepared also to utilize any opportunity to take action against Yugoslavia. Large forces have been maintained on the Italo-Yugoslav border, with Headquarters now at Castelnuovo dei Friuli. Recently light and heavy artillery units have been transferred from Piedmont to the Trieste area to go into winter quarters. For some time a survey of dwellings on the northwest coast of the Adriatic has been in progress to provide housing for Italians who may be evacuated from the Dalmatian Coast. Italians of the Slav race in the Trieste area have recently been interned in large numbers, about three hundred being taken from one suburb.

21. In a conference at Vienna, 5 to 13 September, representatives of the Axis Powers and the countries bordering on the Danube, except Russia, abolished the Danube Commission and made temporary provision for control of traffic on that river, ignoring British and French interests. Russia has called attention to the fact that, having occupied Bessarabia, she is now a Danube Power and has protested this action.

22. Russia is undoubtedly a restraining influence in the Balkans and the Axis Powers have a wholesome fear of the trouble Russia might cause. Italian officials have recently expressed the opinion that war between Germany and Russia is inevitable in the not distant future. It is said that Russia has informed Germany that she does not recognize the transfer of Transylvania from Roumania to Hungary. Foreign correspondents in Rome have information that Russia is now massing troops on the Hungarian border and will endeavor to foment a revolution in Hungary, probably with success. This will give a pretext to Germany to attack Russia. German officers have been giving intensive training to selected Ukrainian troops and will take control of the Roumanian army to oppose Russia. So say the correspondents.

23. Turkey definitely has been following a pacific policy and believes that her best interests are with the British. Turkish officials have been much encouraged by the ability of England to hold out against the German bombing and threat of invasion. A small proportion of Turkish Army Officers would like to take the Dodekanese Islands away from Italy. Germany has warned Turkey of the danger of becoming isolated in the development of the new order in Europe.

24. Spain has followed a non-belligerent course and has been under great pressure to enter the war from both Germany and Italy. It is the general belief that Franco wants to keep out of the war and give his country an opportunity to recover from the effects of the recent civil war but that Suner would like to join the Axis. In the event of a Spanish attack on Gibraltar, assisted by Germany and Italy, the harbor would be untenable and the British fleet would have no base in the Western Mediterranean. Italian ships and planes would have bases in the Balearic Islands and along the Spanish coast. Portugal would probably be unable to remain neutral. Action against Morocco would be greatly simplified for the Axis Powers.

25. Several days ago the Spanish Minister of Interior and Foreign Affairs, Suner, visited Berlin and he has remained in Germany. After seeing Suner, von Ribbentrop came to Rome to confer with Mussolini and then returned to Berlin, (*) where he is due to arrive today, and official circles in Rome are convinced that a pact will be signed in Berlin bringing Spain into the war. Local propaganda, which may or may not be accurate, is to the effect that Spain will join the Axis as an active partner and will attack Gibraltar. Very little has leaked out regarding the conversations between Ribbentrop and Mussolini but a high official in the Ministry of Interior stated definitely that the Russian menace was one of the subjects of conversation. The elimination of the British from Africa is also believed to have been discussed. The Italian Press states that after the Ribbentrop-Mussolini conversations it is no longer possible to compromise with England and the war will be to a finish.

(*) New Ciano has gone to Berlin
-5-

N.A. Rome 516-40 of 27 Sept. 1940

~~CONFIDENTIAL~~

25. About an hour ago the foreign correspondents were told to stand by for an important announcement. At the same time it was learned that the people have been told to stand by with Spanish and Japanese flags.

26. Although critical articles sometimes appear, the Press generally, for many weeks, has been somewhat restrained in its attitude toward the United States. The transfer of 50 destroyers in exchange for bases in British territory was presented as a sure indication that the British Empire is doomed and with remarkably little criticism of the United States. It was pointed out in a few editorials that the United States is taking this opportunity to get a share of the spoils.

27. Although Italy is financially, economically and militarily in anything but good condition, that country, at the moment, enjoys a degree of security and is even able to take the offensive for the simple reason that her enemy, England, is unable to bring to bear respectable forces against her while hard pressed at home and threatened with invasion. All potential Allies of England must of necessity submit to Axis pressure.

DECLASSIFIED

E. O. 11652, Sec. 2(E) and 2(D) or (B)
OSD letter, May 4, 1972

By SLR

Date

MAY 22 1973

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

INTELLIGENCE REPORT

Serial 555 - 40 102-100
(Start new series each year, I. e. 1-40, 1-80) 902-100
 From T at Rome, Italy. Date 19 40
(Ship, fleet, unit, district, office, station, or person) **CONFIDENTIAL**
 Reference _____
(Directive, correspondence, previous related report, etc. if applicable)
 Source CONTACT Evaluation Reliable
(As official, personal observation, publications, press, conversation with—identify) (As reliable, doubtful, unverified, etc.)
 Subject ITALY/SWEDEN - POLITICAL FINANCIAL POLICY - FOREIGN. ITALY-NAVY-POLICY.
(Nation reported on) (Make title as per index guide) (Subtitles) (Make separate report for each title)

Summary.—(Give terse, careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

CONVERSATION WITH SWEDISH NAVAL ATTACHE.

The Swedish Naval Attache states that material now being delivered to Sweden by Italy was contracted for in 1938 and 1939. Only a small number of torpedoes is included. He believes that Italy has an ample supply of torpedoes. Italians prefer to bomb a ship before attacking with aerial torpedoes. The latter have not been very successful. The Italian Fleet does not seek action with the British Fleet because there are no raw materials to make replacements in case of losses and the Fleet will be needed to control Italy's Empire after the war. There has been no confirmation of the Press report that Italy would take over French ships at Toulon and he thinks there are not sufficient trained men available to do so. He said Sweden would fight if attacked. Swedes have seen what happened in Norway and Denmark and realize what Europe will be like if the Axis wins the war but can do nothing about it. He thinks Russia has accepted the Axis-Japan Treaty; Russia will get an outlet to the sea through Persia; the United States must act now if Japan is to be stopped; Spain will not enter the war.

RECEIVED

E. O. 11652, Sec. 303 and 304 or (B)

OSD Letter, May, 4, 1973

By SLR

Date MAY 22 1973

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 (2) 7p-22
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		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nav.	Off.	T.A.D.	C.A.R.	Sup.	A.S.A.	N.S.S.	Ann.	G.R.M.C.	C.N.C. U.S.	Com. Sec. Per.	Com. Sec. Per.	C.N.C. A.P.	Com. Sec. Per.	Com. Sec. Per.	F.A.T.R.
Headed at	Op-10/11	Op-11	Op-12	Op-14	Op-16	Op-21	Op-22	Op-23	Op-24	Op-25	Op-26	Op-27	Op-28	Op-29	Op-30
Off.															
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~~CONFIDENTIAL~~

T-335-40

The Swedish Naval Attache, Harnargren, called this morning. He said:

(1) The material now being delivered to Sweden (planes, motors, torpedoes, etc.) is material for which contracts were signed in 1938 or 1939. Deliveries were held up when Italy went to war but now Italy has decided to complete the contracts, rather than return the money deposited when the contracts were signed.

(2) When surprise was expressed that Italy would sell torpedoes at the present time he said that Sweden is getting only a small number, which can be replaced by a few days' production, and he thought Italy had a fairly good supply on hand (which is contrary to previous information received). Sweden is buying only torpedoes for submarines and destroyers - not the type to be dropped from planes.

(3) In connection with torpedo planes, he said that Italians had stated that they preferred to attack a ship first with bombs to destroy the upper works and then sink it with a torpedo, rather than to make the original attack with torpedoes. They have not been very successful with aerial torpedoes.

(4) He said that the Italian Fleet had not been active against the British Fleet in the Mediterranean because Italy has no raw materials for replacements in case of losses and Italy will need her navy when the war is over to control her large Empire. Even a tactical victory would not be advantageous to Italy if the fleet suffered losses.

(5) He said that there has been no confirmation of the Press report that Italy would take over French ships now in Toulon. In any case he did not believe it could be done because the Italian Navy has not enough trained men. Italy has recently commissioned 4 battleships and there are no men left.

(6) When asked about Germany's attitude toward Sweden, he said that the Germans are very polite and have told Russia to hold off. Germany wants Swedish ores and also wants Sweden as a buffer state against Russia. He said that Sweden would fight if attacked.

(7) After the last war, he said, there was a movement afoot to form a Scandinavian defensive bloc, but Norway would not join it. Yet Norway remained entirely unprepared for her own defense. He said that had Norway been properly prepared it would not have been difficult to push the invaders into the sea. He said that in Norway, even the Reserves did not respond when called.

(8) When asked how the Swedes felt about the overrunning of Europe by Germany and Italy, he said that they had seen what has happened in Norway and Denmark and realize what Europe will be like if the axis wins but there is nothing that Sweden can do about it.

(9) He said that Russia appears to have accepted the axis-Japan Pact without indicating any resentment. Russia will try to get an opening to the sea through Persia rather than the Dardanelles, so as not to be bottled up in the Mediterranean. He thinks that the United States will have to act now if Japan is to be prevented from expanding to the southward. He does not believe that Spain will enter the war at present.

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E. O. 11652, Sec. 302 and 303

OSD letter, May, 1, 1973

By SLR

Date MAY 22 1973

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NAVY DEPARTMENT

INTELLIGENCE REPORT

C-9-e
21555-T

Serial 559-40 (Start new series each year, i. e. 1-40, 1-40)
 Monograph Index Guide No. 907 102-100
 From T at Rome, Italy Date 14 Oct., 1940
 Reference _____
 Source R Contact Evaluation Reliable
 Subject ITALY-NAVY-OPERATIONS, ITALY-POL, FORCES-POLICY-FOREIGN.



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NOTE:—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

SIGNOR "X"

1. The following items of interest were obtained from Signor "X" today:
 - (a) Italian casualties in the naval action on the night of Friday, 11 Oct., were: ARIEL, ALCIONE, ARTIGLIERE sunk and CAMICIA NERA very badly damaged but towed away - torpedo hit in boiler room. Official report to Ministry of Marine only reported British cruiser as hit and damaged. (Press claims British cruiser sunk).
 - (b) The following instructions have been issued to the Press: The Axis knows how touchy the U.S. is on questions relating to South America. Therefore the Press must ignore Axis and Spanish interests there. The natural aspirations and racial ties of Franco in South America and the economic and commercial ties and interests of the Axis must not be mentioned.
 - (c) Large numbers of men from classes 1908 to 1913 have been or will be called up in near future.
 - (d) The Head of the Domei Agency in Rome says: When Japan is convinced that America is going to declare war, Japan will capture the Dutch East Indies by a lightning stroke before America can send ships or forces there. When they get these islands the Japanese will not be afraid of America or any combination of Powers.
 - (e) There is a strong rumor, in high but not official places, that the Axis is offering Russia control of the eastern side of the Dardanelles if Russia does not oppose Axis conquest of territory west of the Dardanelles.
 - (f) Signor "X" must be careful now as one or two of his colleagues have been arrested, probably to scare the others. He will not telephone but will be at an arranged rendezvous twice a week.

RECORDED
 U. S. G. 11652, Sec. 203 and 204 or 205
 (RED letter, May, 1, 1971)
 MAY 22 1973
 By S.L.R. Date

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Op-11	Op-14-1	A-B-C-D-E-F-G-I-J K-L-M-N-O-P-Q-R-S-T-U-V-W-X-Y-Z										Adm. Serv.	Archives	Budget	Gen. Serv.	Sec. Serv. Off. Inform.	War College	M. I. D.	N. O.
Nav.	Ord.	T. & D.	C. & S. R.	Eng.	S. & A.	M. & S.	Arm.	U. S. M. C.	C. in C. U. S.	Com. Serv. For.	Com. Serv. For.	C. in C. A. F.	Com. Support.	Com. Admin.	F. A. T. U.				
Attended at	Op-14/11	Op-11	Op-11	Op-14	Op-20	Op-21	Op-22	Op-23	Op-24	Op-25	Op-26	Op-27	Op-28	Op-29	Op-30				
Chief																			
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NAVY DEPARTMENT

INTELLIGENCE REPORT

Serial 59E-40 Monograph Index Guide No. 102-100/200
(Start new series each year, 1 s. 1-31, 2-31) (To correspond with SUBJECT given below. See O. N. I. Index Guide. Make separate report for each main title.)

From T at Rome, Italy Date 4 November, 1940
(Ship, fleet, unit, district, office, station, or person)

Reference _____
(Directive, correspondence, previous related report, etc. if applicable)

Source Reliable (Signor X) Contact Evaluation Reliable
(As official, personal observation, publications, press, conversation with—identify) (As reliable, doubtful, unverified, etc.)

Subject ITALY/AXIS-POLITICAL POLICES-POLICY-FOREIGN/DOMESTIC
(Nation reported on) (Main title as per index guide) (Subtitle) (Make separate report for each title)

Blank.—(Have enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

SIGNOR "X"

The following items of information were received from Signor "X" today:

- (1) After Greece, the next state to be conquered by the Axis will be Yugoslavia. An ultimatum will be delivered to Yugoslavia demanding for Italy the districts of Per, Giacoviza, Tetovo, Ocrida and two or three other small ones; for Bulgaria the district of Pirov and advance of her frontier to the Vardar; for Germany a control of Yugoslav affairs similar to that exercised by Germany in Roumania. Yugoslavia is expected to accept this ultimatum. At present every effort is being made to lull Yugoslavia into a sense of security until Greece is under complete domination. The Press has been instructed accordingly.
- (2) Turkey is on the list of Axis conquests after Greece and Yugoslavia. Exact plans are not known but when Turkey has been partitioned by the Axis Powers there will be little of it left.
- (3) The advance on Egypt will be renewed in about two weeks if the present tempo of preparations is kept up.
- (4) Signor "X" has just returned from several days in Florence where he was sent to help organize an internal censorship - to check up on Italians - to try to discover details and personalities connected with subversive activities in Florence which have recently been on the increase.

DEC 18 1940



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 E. O. 11652, Sec. 2(D) and 3(D) or (E)
 OSD letter, May, 4, 1972
 By SLH Date MAY 2 2 1973

NAVAL INTELLIGENCE

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Op-14		Op-14-1		A-B-C-D-E-F-I-Z						Monograph	Archives	Budget	Com. Board	Sec. Nav. Off. Servs.	War College	M. I. D.	H. O.	
				F-1, F-2, F-3, F-4, F-5, F-6, F-7, F-8, B-1, B-2, B-3														
Nav.	Off.	T. & D.	C. & S.	Eng.	S. & A.	M. & S.	Asst.	U. S. M. C.	C. in C. U. S.	Com. Sec. Per.	Com. Sen. Per.	C. in C. A. F.	Com. Spec.	Com. Alron.	F. A. T. U.			
Attached at		Op-14/11	Op-12	Op-13	Op-14	Op-15	Op-16	Op-17	Op-18	Op-19	Op-20	Op-21	Op-22	Op-23	Op-24	State	Com. Serv.	Naval Com.
Chf.	Asst.																	
Auth.																		

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E. O. 11652, Sec. 302 and 303; see 688
OSD letter, May 4, 1972

N.A. Rome No. 656-40 of 13 Dec. 1940

TP 4836-40 Date ~~MAY 22 1973~~

Rumor that Ciano will be relieved by Grandi and will go as Ambassador to Japan.

Press, unable to brag about Italian victories, emphasizes American difficulties in economic relations with South America.

Press interprets Yugoslav Prime Minister's speech of 7 December as first step towards cooperation with Axis.

Foreign Minister Bulgaria denies secret treaty with Italy. Bulgarians do not hold Italian Army in high esteem.

ITALIAN WAR NEWS:

From a source considered very reliable it is learned that at present (9 December) there is a large accumulation of tank cars on sidings in Livorno. It is estimated that about 300 such cars, fully loaded with crude oil, are waiting to be unloaded at the new A.M.I.C. plant. It was impossible to ascertain the reason for the delay in unloading and releasing the tank cars, the storage tanks being far from full. The informant stated that a successful air attack at this time would seriously disrupt Italy's oil transportation facilities. The Director of the new plant told a reliable contact on 10 December that there was very little stock for lubricating oil on hand but that they expected to start up the new hydrogenation plant in about a week but added that it might be necessary to run about one quarter capacity.

It was learned from a fair source on 9 December that there are at present in Trieste 5 German merchant ships in the process of being armed.

From a source believed reliable it is learned that during the past week, 300 German transport planes, similar to those used for troops and parachutists in Norway, were flown to Italy by German pilots. It is understood that they have been turned over to the Italians. Each plane is said to have a capacity of 35 to 40 men. One observer counted fifty German aviators at a Rome concert last Sunday, 8 December.

A reliable contact has been informed by an Italian doctor that Graziani is now in a Rome hospital where he will undergo an operation, in the next few days, for cancer of the throat.

A report, reliability unknown, has been heard that the Italian forces in Italian East Africa are in a desperate situation due to lack of food. It is said that they can hold out only a few days longer.

A contact reports that quite a lot of Germans in uniform have recently been seen in the vicinity of Bari.

From a most reliable Italian source, it is learned that after Dufoglio's resignation, General Pinton was selected as his relief but he refused to accept the position. It will be recalled that General Pinton and General Pellegrino were recently killed in an airplane accident.

A young Italian submarine commander who has been in a Rome hospital under treatment for a foot injury and who is now under orders to go to Modigliana, Sardinia, stated to a reliable contact that Admiral Cavagnari did not know that he was to be ousted until 1100 of the same day that his resignation was announced.

The Consul, Milan, stated on 12 December that he has learned, from a source which he trusts, that the Italian air field at Rimini has been taken over by the Germans.

The Consul, Piacenza, reported 7 December: (1) within 24 hours on 2-3 December there were 4 air raid alarms but no bombs were dropped. Enemy planes coming from the attack on Naples flew over the city. (2) The rationing of Bread - 70 grams per day per person - which began on 1 December has caused strong resentment. A Sicilian worker normally eats about 1000 grams per day and a reduction to 70 grams per day is intolerable to him, particularly as other articles of food-stuffs are scarce and expensive and the

N.A. Rome No. 656-40 of 13 Dec. 1940

UNCLASSIFIED

E.O. 11652, Sec. 2(E) and 5(D) or (G)
ODD letter, May 5, 1972

DATE MAY 22 1973

bread is of poor quality. (3) Ornamental iron fences are being removed in Sicily.

The Italian press emphasizes British gloom and the paucity of American help, the bombing of London and the Midlands, the opposition of America to financial aid to Britain and the indignation in South American countries at the violation of neutrality by British ships. The press quotes Lord Lothian as having stated that the British Fleet is not equal to its task and Ambassador Kennedy as believing that Britain will not be able to resist the Axis. There is almost a complete lack of despatches from Italian correspondents at the front. The loss of Sidi Barrani is only tacitly admitted by statements regarding the fighting to the west of that point.

2. ITALIAN MORALE:

Many "pep talk" articles are now appearing in the Italian press for the purpose of bolstering up morale which is exceedingly low. There is also a campaign on foot to discredit Badoglio and prove him a traitor. Farinacci continues his attack in the Regime Fascists on the military High Command, naming Badoglio without actually naming him. He says that someone who should be keeping quiet is stating in the salons and tea rooms of Rome that he did not desire the Greek venture and that if it were to be undertaken he wanted more divisions in Albania. Farinacci states nevertheless, that person did assume the task and that it is childish to try to shift the responsibility to political leaders. Gayda in his "pep talk" calls attention to the statement that the British will now throw their full weight against Italy and suggests that the reasons for this are (1) To reinforce the failing British spirit. (2) To convince the U.S. of British strength and speed up the scanty help now being received from America. (3) To undermine the nerve of the Italian people. He cautions the people that the war will not be short or easy.

The resignation of Badoglio has created a furor in Italy. He is one of the few men in Italy in whom people of all classes have confidence. His relief, Cavallero, is considered to be intelligent and able, but his honesty is seriously questioned. The resignation of De Vecchi has added to the confusion.

The Consul, Venice, reports 6 December, that anti-Fascists are now more willing to talk than in the past and there is much subversive talk. Some of them say "Let the Greeks win; then even if Germany does come into Italy it may be the means of getting rid of the present Government". German and Italian sailors have recently had a clash in a cafe and were separated by the police.

3. MISCELLANEOUS:

When the foreign journalists were invited on the tour of inspection of the ships at Naples which had been in the engagement south of Sardinia (N.A. Serial 648-40) it was decided that the American journalists would be excluded as the U.S. was thought to be in the category of "non-belligerent" instead of "neutral". However, a few hours before the departure of the party from Rome, the Ministry of Popular Culture changed their mind and decided it would be better to include them also. Three American correspondents made the trip: Associated Press, United Press and the International News Service.

A rumor is still going around that Ciano will soon be replaced by Grandi. The rumor now has it that Ciano will be sent as Ambassador to Japan.

The Italian Press, lacking anything to brag about in the Greek situation, gives prominence to American news, emphasizing opposition of the U.S. to financial aid to Britain, the alleged efforts of the U.S. to establish an economic Monroe Doctrine, and the opposition in South America to these efforts.

The speech delivered by the Yugoslav Prime Minister, Cvetkovic, on 7 December, has been interpreted by the Italian press to be the first step in preparing Public Opinion for the cooperation of Yugoslavia with the Axis.

N. A. Rome No. 656-10 of 13 Dec. 1940

From Sofia, 10 December, it is learned that the Foreign Minister states definitely that there is no truth in the rumor of a secret military pact between Bulgaria and Italy. In the first place, Bulgarians have a low opinion of the Italian army. The British Minister believes that there is no such pact.

Mussolini's speech has been prominently featured by the Italian press which refers to the Axis claims for vital space and states that victory will be won by perfect collaboration of arms and labor.

RECORDED

E. O. 11652, Sec. 200 and 201 of 20
OID Letter, May, 4, 1972

By SLR

Date MAY 20 1973

A reliable source says the German Air Base under construction in Calabrie (M.A. 13-41) is located in the outskirts of Crotone.

(3) Miscellaneous: Italian shopkeeper quotes wife of German Embassy Official as saying "We lost last war because of Austria, we'll probably lose this one because of Italy".

From Berlin, 28 Dec., it is learned that Greek Minister approached by Germans with suggestion Greece ask Germany to intercede for peace. Suggestion refused.

Minister of War, Yugoslavia, apprehensive due fact Greek submarine sank Italian oiler in Yugoslav waters.

Romanian says only refineries damaged during earthquake, all now repaired.

Italian press quoting German reaction to American foreign policy. Plays up isolationist speeches by Senators Johnson and Wheeler and by Joseph Kennedy Junior. Press says American help to China means little. Refutes President's attempt to prove Axis threatens America and states that giving all possible assistance to England may make necessary a formal declaration of war against the U.S.

Embassy reported to State Department, 7 January, that cost of living at Rome has risen, on many items as high as 52% since June 1940.

An excellent source stated that Hitler has given orders against using poison gas at present, however, chemical factories in Northern Germany working full time on a new and very powerful gas.

Press is again arousing anti-French feeling. Despatches from Italian correspondents in France say French policy not satisfactory to Axis and that an anti-British French policy is essential.

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1. ITALIAN WAR NEWS:

The Consul, Milan, reports that all classes of Italians are greatly depressed by the dismissal of Badoglio and the reverses in Albania and Africa. Efforts of the Fascist Leaders to discredit Badoglio and to brand him as a traitor are not meeting with success. The air raid on Milan 19 December damaged 2 large apartment houses in the poor quarter and caused 9 deaths.

It is said that the General Staff in Rome has said it would not take the responsibility for what might happen if the whispering campaign against Badoglio continues.

The Consul, Trieste, on 3 January reported (1) That reliable sources indicate that the military forces in the Trieste sector now number somewhat over 100,000. They include the 2 Army Corps at Trieste and Udine, of 5 divisions, or roughly 50,000 men. The Alpine Division which was trapped in the Pindar Mountains and which suffered very heavy losses, was recalled from Albania and is now stationed near Cervignano. It has been completely reformed with the addition of reserve units. (2) About 100 units of the trucks concentrated at Trieste are now known to have left by sea for the port of San Giovanni di Medua. The Italian steamers transporting these trucks followed the Dalmatian coast within Yugoslav territorial waters. This was apparently done with the consent of the Yugoslav Government which required that the trucks bear markings as being shipped on account of "La Societa Immobiliare di Roma". (3) There is no information or reports circulated by the British Broadcasting Corporation to the effect that a military barrack was burned down at Postumia with indications of sabotage.

From Belgrade, 31 December, it is confirmed that Italy requested permission to send the 1000 trucks at Trieste overland to Albania and Yugoslavia refused the request.

DECLASSIFIED

E. O. 11652, Sec. 2(b) and 3(d) of (b)

OSD Letter, May, 3, 1972

By SLR

Date MAY 22 1973

~~CONFIDENTIAL~~

T-25 of Jan. 10, 1941

~~CONFIDENTIAL~~

The Consul, Naples, reported 30 December that (1) Naples had 2 air raids on 29 December. In the first, about 9 p.m., 5 flares were dropped followed by a series of explosions in the San Giovanni Industrial Section and port. In the second raid about 1 a.m., only one flare was dropped. 4 buildings were damaged, 7 people killed, and several wounded. The authorities appear to be hiding more extensive damage to industrial plants. 20 bomb-bursts were counted. (2) On Christmas eve one plane dropped leaflets in Naples describing Italian losses in North Africa. (3) It is said that a new system of A.A. defense is being adopted for Naples. Guns are being moved to the outskirts of the city. They fire a ring barrage leaving a clear space in the center in which German pursuit planes (trained for night fighting) can operate. (4) Sabotage is said to have been the cause of the burning of an oil barge in Naples harbor about 10 days ago. (5) The general morale of the people is almost hopelessly low and many stories indicating defeatism and dislike for the Fascist Regime are circulating. (6) Wounded officers from Albania tell hair raising stories of the disaster there. Flamed hats of the Bersaglieri lying on the ground looked like a slaughtered flock of birds; officers tried to drive their men at the point of the pistol; men killed their officers and fled; wounded suffered terribly from the cold and stripped the clothing from the dead. One wounded officer said he would kill Mussolini if he could. (7) The German Consul is said to have stated that Hitler was furious at Mussolini for attacking Greece. (8) The majority of the people believe that Italy's danger lies in the Germans rather than in the English.

The Consul, Genoa, reported 2 January, that troops and equipment are being concentrated in western Liguria near the French border. The purpose is rumored to be an attack on Nice.

The Consul, Milan, reported on 2 January (1) On arrival at Mentone 22 December, on leave, he was informed that General Garibaldi had been there the day before and had openly stated that he was planning an attack on Nice about 15 January with his "Red Shirts", somewhat after the manner of D'Annunzio at Fiume. He said that an autonomous state would be set up including all French territory in Mentone, Nice and Cannes, under Italian jurisdiction in much the same way that Monaco is under French jurisdiction. Inquiries made by the Consul indicated that military and political personages as well as others in that area, have no knowledge of this plan and they doubt whether Garibaldi should be taken seriously. A French doctor returning from Nice to Mentone on 31 December said that during the differences between Hitler and Petain, the former had threatened to occupy more French territory, and the doctor suggested that Garibaldi's design to occupy Nice might be part of the further occupation of France. (2) From a usually unimpeachable source, it was learned that all Italian bombers in service in the attack on England have been recalled. One pilot said that he and his crew were given 10 days leave in Italy and then will be sent to Spain for further duty. Presumably the other bombers are also being sent to Spain. The pilot also said that a considerable number of German bombers, including Stukas, have recently arrived in Italy and will proceed soon to Spain.

From a reliable source it has been learned that poison gas, thought to be phosgene, is being transferred from the hills back of Gaidonia to southern Italy. Several men are in the hospital having been gassed when one tank broke.

An Army Colonel of the Italian General Staff, who is in charge of the Mechanized Arms Division in the Ministry of War, states that during this month (January) Italy will begin production of a tank that can stand up to the new British anti-tank guns. He stated that all Italian tanks now in use are obsolete and are the tanks which were used in the Ethiopian and Spanish campaigns.

The Consul, Venice, reported on 2 January, that as a result of the air raid on 23 December certain canals will be closed to traffic for 75 days.

Italian civil morale under bombing appears to be improving because of a growing realization that British planes try to hit only military objectives.

RECORDED

E. O. 11652, Sec. 3(E) and (F) of (2)

Classified, May, 1, 1972

By SH

Date

MAY 29 1973

T-25 of Jan. 10, 1941

~~CONFIDENTIAL~~

Many letters are being received by relatives of soldiers in Albania describing the very bad conditions there; lack of food and proper clothing, etc. As it is known that all letters coming from the troops must be censored by their officers, this is interesting as it indicates that officers are permitting letters with such complaints to pass the censor.

It is reported that transports and escort vessels are being assembled at La Spezia and the rumor is that an expedition against Corsica is being planned.

It is said that food is getting very scarce in Ethiopia.

2. GERMAN PLANES AND TROOPS IN ITALY:

A Hungarian Correspondent said (1) German troops now in Sicily will be sent to Libya possibly via Tunis. (2) German troops are in Italy at the request of Mussolini. (3) Pantelleria has played very little part in the war and has never been bombed by the British. (4) He thinks that President Roosevelt's speech is one of the greatest events of the war so far.

The Consul, Trieste, reported December that on 9-10 December about 350 German planes, including Dorniers and Junkers flew over Tarrivio. 2 landed there because of engine trouble. In a report on 3 January the Consul added that there are persistent reports that some Stukas were also seen flying over Tarrivio.

The Consul, Venice, reports 31 December: (1) During an automobile trip in the South Tyrol he was informed that 20,000 German troops with equipment and tanks had entered Italy through the Brenner Pass. (2) German inhabitants of the Alto Adige hope that the Troops will stop there on their return and that the Alto Adige will be annexed to Germany. (3) The transfer of the German population has slowed down. Its cost has been pared to 42 billion lire.

It is learned from a source considered reliable that the German Air Base under construction in Calabria (N.A. Report 13-41) is located in the outskirts of Crotona.

The Consul, Palermo, reported 7 January that: (1) While returning to Palermo from Rome, he saw large stocks of sulphur near Termini and about 20 German trucks standing by. (2) The presence of the Germans in the streets of Palermo is very much resented by the local people. (3) There are rumors that the German planes carry small tanks in their bodies and that there will be a combined German and Italian attack on Malta. (4) The food situation in Palermo continues to be very bad. The German air units have brought their own cooks and food and eat well. It is probable that German trains bringing food and munitions return to Germany with sulphur.

The Consul, Venice, reported that on 7 January German tri-motored planes flew over that city.

From an excellent source it is learned that there are no German troops in Italy except air force which is completely self-sustaining, having their own ground personnel, A.A. batteries, food, gasoline, etc. Tanks without crews are being loaned to Italy.

3. MISCELLANEOUS:

An Italian shopkeeper stated that the wife of an official of the German Embassy, recently visiting his shop, remarked: "We lost the war the last time because of Austria, we'll probably lose this one because of Italy".

From Berlin, 28 December, it is learned that the Greek Minister was approached by Germans with the suggestion that Greece ask Germany to intercede for peace between Italy and Greece. This suggestion was refused as Greece is successfully pushing the Italians back. Acquiescence would have been playing Hitler's game, helping to defeat England and giving him unopposed power over Italy.

T-25 of 10 Jan. 1941

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

From Belgrade, 3 January, the Minister of War said that an Italian oiler had been torpedoed and sunk by a Greek submarine just off the bar north of the Albanian Frontier within Yugoslav territorial waters. He is afraid it might be a serious incident. The Yugoslav Naval Attache, Rome, has no information of any protest being made up to date.

From a Rumanian source it is learned that the earthquake damaged refineries but not the oil wells. The refineries have been repaired.

The Italian press, during the past few days, has quoted German reaction to the American foreign policy and emphasizes the contrasting reaction in the United States to the President's speech and the desire of Americans to stay out of the war. It refers pessimistically to the further help America will give England and foresees the possibility that 50 more destroyers may be released. In referring to Japanese reaction to the President's speech the Italian press states that American help to China can mean little. The solidarity of the Axis and loyalty to Mussolini are emphasized. The press refutes Roosevelt's attempt to prove that the Axis threatens America and states that giving all possible assistance to England may make necessary a formal declaration of war against the U.S. The U.S. attitude may result in prolonging the war. One writer states that the U.S. is ready to fight to the last Englishman.

In discussing the President's speech to Congress the press quotes from the opposition speeches made by Senators Johnson, Wheeler and LaFollette, and by Joseph Kennedy junior.

The Embassy, on 7 January, reported to the State Department by telegram that the cost of living in Rome has risen to such a degree that the present compensation of the Staff is inadequate. Cost of miscellaneous items have risen 52% since June, 1940. It was recommended that compensation be based on 30 lire to the dollar, an increase of about 50%.

An excellent source stated that Hitler had given orders that poison gas is not to be used at present. The source claimed to know that chemical factories in northern Germany are working full-time on a new gas which is said to be very powerful.

The Italian press is again arousing anti-French feeling. Despatches from Italian correspondents in France state that French policy is not proving satisfactory to the Axis and an anti-British French policy is essential if France is not to lose the benefit of Axis cooperation.

PREPARED BY

GROUPED

E. O. 11652, Sec. 3(b) and 3(d) or (e)

GROUPED before May 1, 1973

by SLR

Date

MAY 22 1973

~~CONFIDENTIAL~~

TELEGRAPHIC ADDRESS
"ALUSNA HOME..

AMERICAN EMBASSY
OFFICE OF THE NAVAL ATTACHE
R O M E

AB-2/ALG-3(4)

13 January, 1941.

From: Naval Attache, American Embassy, Rome, Italy.
To : Director of Naval Intelligence.
Subject: Anonymous Communication referring to planned attack on France
by Italy.

Reference: (a) N.A. Rome's Secret Despatch No. 131555 of January, 1941.

1. The following anonymous Communication was received by the Embassy this morning and reported in reference (a). It is known to have come from Vatican sources:

"In Ministerial and Party circles, in all seriousness and generally from well-informed persons, I have learned:

(1) That Italy, in agreement with Germany, will soon denounce the armistice with France and will attack France immediately and unexpectedly in Corsica, but more especially in Tunisia.

(2) More than 50,000 motorized German troops - and Italian troops concentrated in Sicily - are ready to invade Tunisia by a surprise landing, with the intention of joining up with Graziani's troops. Preparations will be completed and the expedition prepared in detail by the German General Staff.

(3) All the Italian Fleet, moving from bases in Sardinia and Southern Italy and all the German Aviation (rumored to be about 500 Stukas) concentrated in Sicily, have been assigned the task of attacking violently and simultaneously Biserta and other localities along the coast of Tunisia to establish bridge heads. There will immediately follow the landing of the German mechanized troops. In short, a repetition of the invasion of Norway is planned.

(4) The date for denouncing the armistice and of the attack on Tunisia will be fixed for the 20th or 23rd of January, 1941.

To give as much time as possible, immediately notify the Governments of France, England, Egypt, America and the Military Authorities of Tunisia, Algiers and Egypt. ACT QUICKLY OR IT WILL BE TOO LATE!"

2. It is certified that the originator considers it to be impracticable to phrase this document in such a manner as will permit a classification other than Secret.

888 5 - 1941



OFFICE OF
NAVAL INTELLIGENCE
RECEIVED

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DECLASSIFIED

E. O. 11652, Secs. 208 and 210 (2) of (25)

and Section 105, 5, 1972

by SLD

Date

MAY 28 1973

~~SECRET~~

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

U. 8103
10431
C-10-g

INTELLIGENCE REPORT

Serial 30-41
(Start new series each year, i. e. 1-40, 2-40)

Monograph Index Guide No. 100-100
(To correspond with SUBJECT given below. See G. N. I. Index Guide. Make separate report for each main title.)

From T at Rome, Italy Date 16 Jan., 1941
(Ship, fleet, unit, district, office, station, or person)

Reference _____
(Directive, correspondence, previous related report, etc. if applicable)

Source ANONYMOUS Evaluation _____
(As official, personal observation, publications, press, conversation with—Identify (As reliable, doubtful, unverified, etc.)

Subject ITALY/GERMANY - POLITICAL FORCES - POLICY - FOREIGN.
(Nation reported on) (Main title as per Index Guide) (Subtitles) (Make separate report for each title)

Summary—(Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

ANONYMOUS NOTE

1. The following is a translation of an unsigned note in Italian left at the American Consulate, Rome, this morning:

"To the Consulate of the United States of America, Rome.

VERY URGENT.

"From a reliable source it has been learned that Hitler and Mussolini; the assassins of humanity and civilization, have given tacit orders to provoke enormous and incalculable damages in America, especially in New York. In the name of humanity do everything to prevent new massacres and above all do everything possible to remove from power the two above-mentioned delinquents, adventurers, and assassins of humanity. Whoever is not against them is with them and therefore an assassin or delinquent.

"It is also said that a hired assassin has been armed to take Roosevelt's life."

FEB 13 1941



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Use this form for original and copies of page 1, and standard 8 by 11 inch sheets white paper for additional pages. Forward original and all copies to the Office of Chief of Naval Operations, Navy Department, Washington, D. C. Retain copies of original and standard 8 by 11 inch sheets white paper for additional pages. Retain copies of original and standard 8 by 11 inch sheets white paper for additional pages. Retain copies of original and standard 8 by 11 inch sheets white paper for additional pages.

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Nav.	Ad.	T. A. D.	C. S. R.	Eng.	S. A. A.	M. S. R.	Ass.	U. S. M. C.	C. in C. U. S.	Com. Sec. For.	Com. Sec. For.	C. in C. A. F.	Com. Spec.	Com. Adm.	F. A. T. U.				
Attended at		Op-18/11	Op-12	Op-13	Op-14	Op-20	Op-21	Op-22	Op-23	Op-24	Op-25	Op-26	Op-27	Op-28	Op-29	Op-30	Op-31	Op-32	Op-33
Chf																			
Asst																			
Auth																			

~~CONFIDENTIAL~~

conflict.

Press quotes Kennedy stating he did not see how 1 1/2 million can win against 6 million. Gayda dismisses stock market saying stocks are too high due to speculation, and yield is less than the 5% obtainable from Government bonds.

Gayda dismisses U.S. acquisition of British bases and says Caribbean bases make an Axis threat even more impossible. Thinks this acquisition justifies Italy's claim to Malta and Gibraltar.

Press makes little comment on fall of Tobruk. Appellius warns the people that further reverses may come.

Gayda quotes Ruzovic Alton dispatch that secret U.S.-England treaty signed providing joint occupation America, Cape Verde and Falkland Islands. Gayda says U.S. imperialistic policy includes plan for economic and commercial conquest Latin American Countries and supervision of Europe.

(S) ~~Mussolini~~ New 9 year - 5% treasury bonds issued at 97.5. Current total in circulation between 25 and 28 billion lire. (24.5 billion in 1939).

Rumor current that King told Duce that he intended appoint Badoglio in Mussolini's place, then abdicate in favor Prince Piedmont. Mussolini said he would have Commas in Italy in 24 hours, if such were attempted.

General General Comas, 24 January, was told by Italian Army Officer that few days previously 2 divisions German troops passed through Rome.

On recent visit to Fascist Hospital, Ruce was greeted in silence by wounded. Other planned visits cancelled.

Report on Munitions says the reason 80% of British bombs fail to explode is due to fact that very cold temperatures at high altitudes affect fuse which fails to arm.

Ciano and 6 or 8 other ministers have gone to their military stations. Many rumors as to reasons.

Comas, Milan, reported 27 January that there is no foundation to rumors of serious rioting there.

Usually well informed diplomat states (1) Germany controls all key positions in Italy. (2) Believes Germany will give aerial assistance in Albania and Libya but will not send many troops. Fears defeatist attitude of Italian army.

1. ITALIAN WAR NEWS

An Italian aviator gave the following information, from personal experience, regarding the sinking of the Italian merchant ship "City of Messina": The ship left Benghazi for Tripoli, evacuating 600 air crews personnel. It was conveyed by one torpedo boat. The Captain did not issue life belts to anyone. Before embarking, officials stated that a torpedo could not attack the ship. A British submarine torpedoed the ship at 0800 January 19th and it sank eight minutes later. Four hundred men were lost. The informant stated that he was in the water for five hours before being picked up by the torpedo boat. He said that Benghazi is no longer used as an air base, all operations being carried out from Tripoli.

The Hitler-Mussolini meeting, according to Ciano, took place in accordance with their plan to meet every 2 months. On this occasion military authorities took part in the conversations.

There are many rumors regarding the Hitler-Mussolini meeting. One is that it was a stony one. Mussolini wanted equipment and Hitler would not lend equipment without troops. Another is that Mussolini went to the meeting worried and came away smiling. Still another and more authentic version is that Hitler agreed to send troops to help Mussolini in Albania and that the Axis would seek acquiescence of Vichy to occupy Bizerta and other parts in Africa. If this authority is not forthcoming the question of taking Bizerta by force will be considered.

STANDARD

N. C. 11403, Rev. 4/20 and 8/21 or (S)
GPO: 1970, May 1, 1972

By SLR

Date: MAY 22 1973

~~CONFIDENTIAL~~

From a source hitherto reliable it was learned that at Thessalonika Hitler agreed to give military support to Italy in Albania. Large numbers of Italian troops are being called for service in Albania and German troops are enroute to embarkation ports in southern Italy. The situation in French North Africa was also discussed and it was decided to ask assistance of Vichy in the occupation of Algeria and other ports in Africa by Axis forces. If the French fail to "cooperate" the use of force would be given consideration. An expedition is being prepared in Sicily to go to Tunis.

The General, Leipzig, reports 16 January (1) The second of four vessels (see light systems) sailing at the local yard was launched 12 January. (2) During the past 2 weeks 210 trucks of 40 wagons each of German civilian personnel, ground crews, equipment, etc., have passed through Leipzig enroute Sicily. (3) The food shortage in the Leipzig area has become worse in the past month. No butter, rice or flour since 1 January. Other produce are scarce and costly. There is much grumbling. No gas has been available for the past week.

Italian sources state that all physical communication with East Africa has been completely severed. An International Red Cross Representative is proceeding to Britzra by South Africa.

The Italians are concerned over the large losses of high ranking personnel in airplane crashes.

An Italian member of the International Red Cross named Landini is doing everything possible to effect an exchange of prisoners between Italy and England. The reason he said to be that some of the Italian prisoners in England are best agents with valuable information regarding England's defense plans against invasion and regarding secret codes.

An Italian officer in charge of an A.A. battery in Tunis, now on leave, stated that he had been told by a naval officer that the LITTONO had been hit by 3 torpedoes at Taranto, 2 forward and one aft (another confirmation of 3 torpedos hit). The officer hit did the most important damage. 2 other torpedoes passed under the ship and exploded when they hit a deck. He also said that a whole train load of German trucks, A.A. guns, ammunition and supplies was on a siding near Pescara on 20 January.

The General, Genoa, on 19 January, reported that 2 army officers were stationed at Mentona said that 2 Italian mechanized divisions and 5 German mechanized divisions are under orders enroute to Sicily for service in Libya. Transporters go from Sicily to Castelloria then to the coast of Tunis and along the coast to Tripoli.

An American correspondent has information that there are now 12 Italian submarines operating in the Atlantic, also that abducting between Italy and Tripoli continues with very little interruption. This last checks with information received from a German source about 3 weeks ago.

2. ACTIONS OF THE PRESS

Engle states that the Hitler-Mussolini meeting which forebodes joint action by the Axis Powers has taken place during a significant phase of the conflict in which there is (1) Intensified action against England (2) Increased Axis operations in the Atlantic (3) severe military operations in the Mediterranean (4) stiffening of the pressure eleven across the Atlantic with accompanying requirements.

The press quotes Kennedy as stating that he did not see how 14 million men can sustain 5 million. Engle predicts the destruction of Britain. He also discusses at some length the condition of the stock market stating that stocks are much too high due to speculation and the field is less than the 80 which can be obtained on Government bonds (actually the high price of stocks is due to the flight from the 15%).

DISPATCH

R. O. LITTLE, Room 210 and 217 or 218

6823 Baker, May, 5 1942

By SHER

100

MAY 22 1942

CONFIDENTIAL

Gayda writes that the U.S. acquisition of bases on Morgan and Tucea Islands is another indication of Imperialistic interest of the United States. The Caribbean bases make an Axis threat even more impossible than before. The United States' despoiling of the British Empire justifies more than ever the Italian claim to Malta and Corsica which are right at her door.

The press makes little comment on the fall of Tobruk. Appellius warns the public that further reverses may be encountered. Britain has no other card to play than to bring the war to the Mediterranean and test the solidarity of the Axis.

The Giornale d'Italia quotes a Buenos Aires despatch that a Secret Agreement between England and the U.S. providing for occupation by British and American forces of the Azores, Cape Verde and Falkland Islands has been signed. Gayda states that the U.S., under pretense of defense of the Western Hemisphere and self defense, is pursuing an aggressive Imperialistic policy and plans the economic and commercial conquest of the Latin American countries and the supervision of Europe. He says that Wilkie's stop at Horta was to get information concerning this plan and that U.S. policy is a threat to Europe.

3. MISCELLANEOUS:

The Ministry of Finance on 24 January announced the issue of 9 year 5% treasury bonds at 97.5, the proceeds to retire 4 billion of bonds maturing in May. Current bank note circulation is said to be between 35 and 40 billion lire. It was 24.5 billion in 1939.

There is a rumor that the King told Mussolini that he intended to appoint Badoglio in the Duce's place and would then abdicate in favor of the Prince of Piedmont. Mussolini is said to have replied that he would have the Germans in Italy in 24 hours if any such thing were attempted.

The Consul General, Genoa, reported 24 January, that an Italian Army Officer on leave from Bolzano stated that a few days ago 2 divisions of German troops passed through the Brenner headed south.

A young Bulgarian Doctor employed at the Forlanini Hospital says that during the recent visit to the Hospital the Duce was greeted in silence and many of the wounded men turned away as the Duce passed. A rumor has it that the Duce's planned visits to the wounded have been cancelled.

An American engineer has been told by an Italian who is an expert on munitions that the reason 80% of British bombs fail to explode is that the very cold temperatures at high altitudes affect the fuse which fails to arm or otherwise to function.

An American lady who hears and tells wild stories says that 11 of the Duce's Ministers got together and decided to organize a Triumvirate to displace the Duce. They had difficulty to decide which 3 of them would form the Triumvirate and had several meetings to discuss it. The Duce heard about it and now the Ministers are being sent to military duty.

Ciano and 6 or 8 other ministers have gone to their military stations.

The Consul, Milan, reported 27 January, that there is no foundation to rumors of serious rioting in Milan.

A usually well-informed foreign diplomat states that Germany has already taken over the conduct of domestic affairs in Italy and controls all key positions in the Government in order to prevent the collapse of the present regime and to avoid the necessity of sending an army of occupation. He believes that Germany will not send a large number of troops to Albania or Libya but will assist by independent action from the air. Germany is aware

RECORDED

F. O. 11202, For 335 and 947 or (28)
 OGD Issue, May, 1, 1973

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By SLR Date MAY 22 1973

~~CONFIDENTIAL~~ N.A. Rome T-59-41 of Jan. 31, 1943

of the defeatist attitude of the Italian army and does not wish close association between German and Italian forces. Mussolini is freely criticized for getting Italy into the war but there is no organization for a movement and the Germans have come to stay.

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R. G. 118-2, Sec. 207 and 209 or (S)

Class. Exempt, Mar. 4, 1972

By SLR

Date MAY 29 1970

gain. To sum up: - Italy's armed forces have failed miserably, morale is sub-zero, the people are hungry and are on the verge of revolt, Mussolini has been forced to turn to Germany to keep himself in power and Italy in the war, and German domination of Italy grows stronger every day.

1. Since the last report on this subject, Reference (a), Italy's position has undergone two distinct fundamental changes. The military reverses in Egypt, in Greece and, later, in East Africa; the crippling of the Italian Fleet at Taranto, the shortage of food, high prices and general economic hardships, and the resentment of the Army at the dismissal of Badoglio have combined to stretch the patience and the morale of the Italian people almost to the breaking point. The stage appeared to be completely set for a revolt against the Fascist Party and the present Regime. It is not unlikely that the shadow of Germany was the only factor which prevented an outbreak. All Italians believed that if the present Regime were placed in jeopardy, Italy immediately would be overrun by German troops. The second change, which is still in progress, began with the rendering of military assistance to Italy by Germany, first in the form of material and equipment and then by the despatch to Sicily and Calabria of completely self-sustaining air groups. At this writing there are credible but unconfirmed reports that German "troops" are in Italy to give active military assistance in Albania and in Africa. German political and military domination of Italy has gone far and is becoming stronger continuously.

2. From its inception, Badoglio strongly and bitterly opposed the attack on Greece. When he failed to convince Mussolini that such an attack would serve to strengthen the position of the British in the Eastern Mediterranean, he demanded that the Italian forces in Albania be considerably strengthened before the attack. This, too, was denied and Mussolini ordered the attack to commence on 28 October, without having made adequate military preparations and relying solely on his belief that Greece would not resist. Three Greek Generals, so the story goes, whose palms had been greased, failed to lay down their arms, an act which is characterized by Italians as a "dirty Greek trick". The Italian people received the news of the attack on Greece with angry disapproval.

3. The Greek campaign went badly almost from the beginning. Italian losses in killed, wounded and prisoners were large (said to be over 70,000 to date) and Italian troops fled into Albania closely followed by the Greeks. Italian reinforcements were rushed to Albania by plane and by ship, the latter method of transportation being hazardous because of the activities of British and Greek naval and air forces in the Strait of Otranto. On 7 November Soddin took command of the Italian forces in Albania but his efforts to stem the Greek advance were unsuccessful. The Italian forces were disorganized and were so closely followed by the Greeks that they were unable to make a stand and thus gain time for reorganization. Badoglio on 14 November made a trip to Germany to see von Keitel, for what purpose has not been revealed but it was presumably in regard to German aid to Italy.

4. Early in the campaign news of the shocking conditions in Albania was brought to Rome and other Italian cities by the wounded. Hospitals in Rome were crowded. There were tales of inefficient leadership and of lack of enthusiasm for the fight on the part of certain units. Many wounded arrived at the hospitals without having received first aid. Because of inadequate clothing in severe winter weather, there were many cases of frozen hands and feet, often requiring amputation. Housing facilities were inadequate and men slept in the open, even at bases behind the lines. The commissariat broke down and men went without food for more than twenty-four hours at a time. Complaints were heard against the Italian air force, which failed to get control of the air, and against the Navy, which failed in its mission of bombarding the Greek flank from the sea and of effecting a landing on Corfu.

5. The rift between Mussolini and Badoglio over the Albanian situation, and later over the Libyan situation, grew in intensity and, on 6 December, Badoglio's resignation was announced. Immediately, there started a whispering campaign to discredit Badoglio. Strong hints of inefficiency and traitorous action appeared

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in the Press. Rumors in which the word "traitor" frequently appeared were heard on all sides. Demonstrations against Badoglio were organized by Party leaders in several large cities. The army was indignant, first, because it had full confidence in Badoglio and, second, because it never should have been placed in the position in which it found itself in Albania. The Italian people shared the opinion of the Army and were angered by the efforts to discredit Badoglio. In one large city the demonstrators received a sound thrashing at the hands of the local garrison. In another the Commanding General informed the civil authorities that, if the demonstration which had been organized were permitted, he would not be responsible for the consequences. The demonstration was cancelled. The campaign instead of discrediting Badoglio was damaging to the prestige of the Party and the present Regime. This was realized after a few days and the effort was suddenly discontinued.

6. Badoglio was succeeded as Chief of the General Staff by Cavallero, whose reputation had been somewhat tarnished a few years ago by a scandal in connection with supplies for the Army. Two days later De Vecchi, Governor of the Dodecanese and a *condemnavir*, resigned in support of Badoglio. On 9 December, Cavignari resigned, it is said, because he had been a member of the court which condemned Cavallero in the above mentioned scandal. Cavignari was succeeded as Undersecretary for the Navy by Ricciardi, and Jashino replaced Campioni at sea in command of the First Squadron. Having allowed up the Greek advance somewhat, but having failed to stop it entirely, Solda on 12 January resigned and Cavallero took command of the Italian forces in Albania. To date no one has been named to succeed Cavallero as Chief of the General Staff and there have been rumors of a unified command with a German as supreme commander of the axis forces.

7. At the present writing bad weather, lack of transport, Italian resistance and caution have brought the Greek advance almost to a standstill. However, each day Italian counter-attacks are repulsed, some prisoners are taken and some slight advances of the Greek forces takes place. Valona has not yet fallen. Italian forces have had time to prepare new positions. A strong position has been prepared along the Skumbi River where the Italian forces plan to make a last stand if the Greeks continue to advance. A large number of Carabinieri, including 1200 from the Rome district, have been sent to Albania to police the area behind the lines and to prevent desertions from the Italian forces.

8. Graziani's Egyptian invasion force at Sidi Barrani continued to be subjected to bombardment from the sea, bombing from the air and attack by "tip and run" armored columns. Its condition was not improving. Food and water were scarce and of none too good quality and morale was deteriorating continuously. In Rome Mussolini was pressing him for a continuation of the advance into Egypt while Graziani was insisting upon more water-tank trucks, more armored cars and assistance from the Navy against the British Fleet. In mid-November it was rumored that the advance would be renewed in about two weeks. In early December there was another similar rumor.

9. On 9 December Nevell's columns struck. The retreat of Italian forces soon became a rout. By 12 December Sidi Barrani, with large quantities of equipment and supplies, and an enormous number of prisoners were in the hands of the British. The well-fortified town of Bardia fell to the British on 5 January with many prisoners and more equipment. On 22 January Tobruk capitulated, and on 30 January British forces entered Derna. By this time over 100,000 Italian prisoners and impressive quantities of war material and supplies had been taken by the British. No estimate is available of the Italian killed and wounded. During all of these operations the British claim to have lost from all causes less than 2000 men.

10. At the beginning of the British advance, Italian air units went into action but their losses were so heavy that their operations were discontinued and British planes held complete control of the air. British naval units bombarded Sidi Barrani, Bardia and Tobruk with only an occasional attack by submarines and torpedo carrying planes. Italian surface ships made no effort to prevent these bombardments.

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U. S. GOVERNMENT PRINTING OFFICE: 1957

GPO: 1957, May, 1957

By GILL

Date

MAY 29 1973

11. Italian East Africa and the Dodecanese are practically isolated from Italy and both are desperately in need of food and supplies. Also, Italy has suffered military reverses in East Africa. All Italian forces have been driven out of Kenya. About the middle of January, Haile Selassie traveling by plane joined a loyal native force well inside of Italian East Africa. This force, which is officered by British officers, has been in process of organization and training for several months and is now marching against Abyssinia.

12. The Italian Fleet has continued its shocking inactivity and has permitted the British naval forces in the Eastern Mediterranean to operate almost without opposition. On the night of 11 November British carrier-based planes, in a beautifully executed night attack on Taranto, seriously crippled the Italian Fleet. While attention was riveted on a high altitude bombing attack, British torpedo planes flew in between the mooring cables of the harbor barrage and launched their torpedoes. As a result of torpedo hits, the CAPOD was sunk and probably is a total loss. The LITTORIO and the DULIO were damaged and beached. Repairs to the LITTORIO are being made at Taranto (The Jewish Naval Constructor, Ammiraglio Pugliese, having been recalled to active service to repair the damage inflicted at Taranto) and should be completed about the middle of February. The DULIO is believed to have been taken to Trieste for repairs which are said to be progressing slowly because of scarcity of material. In the same action two supply ships were damaged and beached. It is probable that the BOLLEANO and one of the TRENTO class were damaged but this cannot be confirmed, definitely. An investigation has been made into the reasons why the Commanding Officer of the CAPOD failed to close water-tight doors and failed to beach his ship although it was adrift for four hours after being damaged.

13. After the Taranto affair the remainder of the Italian Fleet was split up among several ports. Most of them based on Naples, Palermo or Cagliari. Usually, all ships went to sea at night to avoid night air attack and returned to port at daylight. Morale got lower and lower and young officers lost all confidence in the high command. Six "spies" were shot as part of the alibi for the coup at Taranto.

14. It is said that Italy is informed from Spain whenever British convoys pass Gibraltar enroute Alexandria. During the passage of a British convoy through the Straits of Sicily on 27 November there occurred a brush between an Italian detachment and the escort, in which the Italians lost the destroyer Lenciere. Contact was first made between the light forces; then, Italy's two remaining battleships, the VITTORIO VENETO and the Cesare, closed in support. (The DORIA was and still is in dry dock in Venice for repairs to damage caused by the blasts of her own guns in test firing). Upon sighting the RENOWN these vessels made off at high speed. The B.B.C. reported more damage to Italian ships than actually occurred and the Italian propaganda machine took this opportunity to invite foreign correspondents to Naples to see for themselves that neither battleship was damaged.

15. In spite of the general policy of going to sea at night, the Italian Fleet continued to suffer losses in port. On the night of 14 December the PULA at Naples was hit by a medium size bomb which destroyed one smoke stack and caused over 50 casualties. The following day the PULA left Naples for Livorno under her own steam. On the night of 8 January, the CHEARE, while moored alongside the dock at Naples, was holed below the waterline at the stern by a near-miss bomb. The CHEARE is now at Genoa for repairs and the VITTORIO VENETO is the only Italian battleship in operating condition.

16. For some months Italian submarines have been operating in the Atlantic, presumably from Bordeaux. This may be a gesture toward assisting Germany in the attack on England or it may be for the purpose of getting the submarines out of the Mediterranean where so many have been lost. The best information available indicates that Italy has lost 37 submarines to date, about one third of her total submarine strength.

RECORDED
K. G. 11881, Sec. 212 and 213 of 188
CND Index, Nov. 4 1973

By SLR Date 1973

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17. Before the war, it was considered generally that Italy had a very good Air Force. The test of war has not confirmed this belief. After months of experience, the British Fleet in the Mediterranean learned to discount the Italian air threat and began to move about at will. Malta was bombed repeatedly without inflicting damage commensurate with the loss in planes. During Goussini's advance into Egypt, the Italian Air Force had some success against the obsolescent types of planes then with Nevell's forces. With the arrival in Egypt of Spitfires and Hurricanes, the British began to gain ascendancy in the air and at the present time have complete control of the air in eastern Libya. In Greece, the Italian Air Force has suffered heavy losses. Its operations behind the front lines have not been successful in preventing the advance of Greek forces.

18. British air raids on Italy have increased in intensity and effectiveness. At first there was an excessively large proportion of duds among the bombs dropped by British planes. This has improved to some extent. In northern Italy early air raids on industrial cities had considerable effect on morale but did little important material damage because of the small number of attacking planes, the small size of bombs and the duds. Recent raids have been more effective. At Venice considerable damage has been done to the petroleum plant and other industries at Porto Marghera and some of the canals of Venice have been ordered closed to traffic for 75 days while repairs are effected. At Milan a large textile plant has been completely destroyed. Other more or less important damage has been done. To date, however, airplane factories and war industry plants appear to have escaped serious damage.

19. In southern Italy, since the establishment of British forces in Greek bases, air raids have become more numerous and more effective. The embarkation ports, Bari, Brindisi, Taranto and Naples, have been repeatedly bombed by the R.A.F. and the Naval Air Arm. At Bari the oil refinery was 50% destroyed and all operations were transferred to Livorno. At Brindisi, in addition to damage done to the Fleet, the shore establishment has suffered damages and casualties. In addition to the FOLA and the CREAK, several naval auxiliaries have been sunk or damaged at Naples and a number of important military and industrial plants have been partly destroyed. Messina, Palermo, Catania, Augusta Bay and Cagliari have been bombed with effect. Since the arrival of the German air units in that area, Catania and Messina have had the heaviest raids and a number of German planes have been destroyed on the ground.

20. The Italian people are perhaps more sensitive than others to air raids. They were somewhat surprised at the lack of intensity and effectiveness of air raids early in the war. Now, they realize that British planes aim only at military objectives and this has operated to reduce their inclination to panic.

21. Apparently, the first Italian reverses in Greece were not displeasing to the Germans and they indicated no intention of giving assistance to Italy. When reverses became so serious as to damage Axis prestige, it was suggested by Germans to the Greek Minister in Berlin that he might request Germany to intervene for peace between Italy and Greece. This he refused to do.

22. The first evidence of German assistance to Italy after the attack on Greece was the arrival in Italy of German transport planes, the same planes that were used in the invasion of Norway. These planes with German pilots passed through Trieste enroute to Bari where they were used to ferry Italian troops to Albania. Later German tanks without crews were loaned to Italy, Italian tanks having been found to stand up poorly against the British anti-tank guns. About the same German trucks arrived at Trieste. A request for permission for these trucks to pass overland through Yugoslavia to Albania was refused by Yugoslavia. These trucks are now being transported by sea to the small port of San Giovanni di Medua in northern Albania through Yugoslav waters. (At a nice profit to ship owners). Nineteen German merchant ships, totaling about 60,000 tons, in the Trieste area were placed in full commission, 438 German seamen having arrived to complete the crews.

23. Beginning 19 December the number of regular passenger trains on Italian railroads was greatly reduced to facilitate, as it later developed, the movement of a large German air detachment to Sicily and southern Italy. This German air detachment is complete in every respect and is entirely self-sustaining even to food, gasoline and other consumable supplies. It has complete ground equipment and ground crews, motor-cycles and trucks, mobile repair shops, and its own anti-

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N. G. 11622, Rev. 022 and 007 by GDS

GPO: 1977, May, X-13772

By 0722

Date

MAY 9 9 1979

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aircraft batteries, and is running its own telephone lines between Palermo, Trapani, Catania and other points. (Incidentally these lines are frequently cut by Italian saboteurs). The German air groups have practically taken over the aviation establishments in Sicily although there are still some Italian air groups in the island. German air fields are being constructed in Calabria and large numbers of German airplanes and planes are in Rimini, Bari, Lecce and other places along the Adriatic coast. From a German source it is learned that about three weeks ago about 700 German planes had arrived in Italy and 800 more were expected bringing the total to 1500. The same source stated that these planes would transport troops and equipment to Tripoli and would assist the Italians in Libya.

24. The passage of this large quantity of men, material and equipment through Italy gave rise to many rumors. Reports were received that many "divisions" of German troops and many "German mechanized divisions" were enroute to southern Italy. Up to a few days ago it was believed that there were no German "troops", as such, in Italy. Now it has been learned from a source believed to be reliable that at the meeting of Hitler and Mussolini on 19 January it was agreed that Germany would give active military assistance in Albania and that two divisions of German troops are in or enroute to the Bari area to take part in an Italian offensive in Albania as soon as the weather improves. Another decision, said to have been made at the Berchtesgaden meeting, is that the axis will endeavor to obtain the acquiescence of Vichy in the occupation by German and Italian troops of Bizerte and other North African ports. If this is refused, the question of occupation of Tunisia by force will be considered. It is said, but not confirmed, that an expeditionary force is now being organized in Sicily. The same informant states that the German troops in Roumania are solely for attack on Greece through Bulgaria and that Germany will send reinforcements to Libya.

25. The German planes in Sicily went into action for the first time against a British convoy passing through the Straits of Sicily on 10 January, using dive-bombing Stukas and torpedo planes. In this action the German planes suffered heavy losses but inflicted severe damage on the escorting vessels of the convoy. The Southampton was so badly damaged that she had to be sunk by her own crew. The ELLESMOUTH was damaged but reached Malta under her own power, where she received further damage from dive bombers, whose losses again were heavy. The GALLANT was also damaged by a torpedo. The British accomplished their object of getting a convoy through with urgently needed supplies for Greece but paid a high price. Indications are that, in the future, passage through the Mediterranean will be more difficult than it has been in the past when there was only Italian opposition.

26. In December the Italian Press started a campaign against the Vichy Government with the object of arousing anti-French feeling. About the middle of December, Italian troops began assembling in western Liguria along the French border and it was rumored that this force would take Nice. Just before Christmas, General Elio Garibaldi appeared in that area and announced to his friends that he had the Duce's authority and would take Nice with his "Red Shirts" about the middle of January. Fascist leaders in this area tried without great success to arouse enthusiasm for this expedition against France. Presumably this expedition was to be along the lines of that of D'Annunzio at Fiume. According to recent information this force has now been dispersed.

27. Another force, together with transports and men-of-war, was assembling in early January in the Spezia area and it was rumored that this force would attack Corsica or Tunis. Nothing has come of this expedition.

28. Axis diplomacy has been busy, as usual. Molotov has been to Berlin where, it is said, he refused large inducements to swing further toward the axis, signed a trade agreement giving Russia machine tools for raw materials, and stood pat on his insistence for joint control of the Lower Danube by Russia and Roumania, only. Ciano also visited Berlin. Roumania has been over-run and Antonescu has

REVISED

E. O. 11652, Sec. 3(a) and 3(d) or (e)

and letter, May, 5, 1972

By SLL

Date MAY 29 1973

visited both Berlin and Rome. Bulgaria has not joined the Axis, as she was expected to do, and has feebly announced her intention to defend her neutrality. Turkey has stated in no uncertain terms her intention to fight if her national interests are jeopardized. Yugoslavia has remained aloof from the Axis and has signed an agreement with Hungary. Germany has strongly pressed Vichy to "cooperate", but has been somewhat concerned over the lack of success and is afraid of what Weygand may do if Vichy is pressed too hard. Now a new French political group is being formed in Paris by pro-German Frenchmen, according to an announcement from Berlin. It is not unlikely that the Garibaldi expedition against Nice was planned to take place if Germany decided to occupy all of France. Anti-American feeling has been fostered and has grown but both of the Axis partners have been at great pains to emphasize the "fact" that the Tripartite Treaty is not a threat to the United States.

29. The food situation in Italy at the present time is bad. For the past three months it has been growing steadily worse. It is worse now than it was at any time during the last war. The basic shortage is due to shipment of food to Germany, to speculation, and to inability to import certain items. The shortage in local shops is because of difficulties of distribution due to use of the railroads and trucks for military purposes. Rich people have laid in stocks of certain food stuffs, in some cases, sufficient to last for one or two years. The poor people are down to slim rations and frequently are unable to obtain the quantities permitted by the ration card.

30. As early as last summer there was near-starvation in Palermo, Naples and other centers where there has always been great poverty. This was due principally to unemployment, high prices and adulteration of the flour used to make bread and pasta. Coffee, tea, and sugar were the first items to be rationed. Later the sale of coffee was prohibited altogether and now there is little or no tea or cocoa to be had. Meat was not rationed but four month-long days a week were instituted. On 1 October, butter, fat, lard and oil were rationed. An inadequate allowance of oil caused great dissatisfaction, as this is an important item to all Italians, particularly the poor. On 1 December, pasta, flour and rice were rationed. These are basic foods and again the hardship fell principally on the poor. Queues formed at shops and many hours were wasted daily, sometimes without being able to purchase the allowed quantities of certain items. Charcoal, used by the poor for cooking, became expensive and hard to get.

31. On 31 December, all food control was placed under the Ministry of Agriculture and Forests and the death penalty was decreed for withholding from the market, in order to create a shortage or a rise in prices, of widely used foodstuffs. Steps are being taken to improve the distribution of pasta and rice throughout Italy in accordance with the customary diets in the various parts of the country. After 8 January all cream content of milk was ordered to be extracted before sale and the manufacture of cream cheese was forbidden. An inventory of all foodstuffs in the hands of distributors was taken on 15 January. During the past two weeks meat has become more difficult to get and butcher shops are almost bare. Fish is expensive and hard to find. There is now a rumor that very soon bread and cheese will be rationed. Figures available on a few ordinary foodstuffs indicate a rise in prices since last June of 50%. This is in addition to the increase in prices before that date over ordinary prices. Some luxury foods have doubled, tripled or quadrupled in price. There are indications that the gasoline supply is running low.

32. Italian morale has gone steadily down. Anti-Fascism has greatly increased. Bitter hatred of Mussolini, is indicated on all sides, and is frequently expressed by former Fascist enthusiasts. Feeling against Ciano grows high. Anger against him is particularly keen because when Greece was attacked he announced "this is my war", having persuaded Mussolini to go ahead against the advice and protests of Berlingio. The people are depressed. There is much dissatisfaction, discontent and subversive talk. Subversive activities are on the increase and talk of revolution is heard. Internal propaganda and efforts of the Fascist leaders having failed to regain the confidence of the people, the Regime is now giving attention to holding the people in check by force. Many arrests have been made. Many intelligent people want to see the present Regime overthrown but fear the consequences. An uprising to overthrow the Government would result in anarchy and would be followed promptly by the occupation of Italy by German troops which is feared by all Italians. Not many

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Italians realize the extent to which domestic affairs are dominated by Germany. Many key positions in the Italian government are controlled by Germany. The country is overrun by the Gestapo. It is in this way that Hitler hopes to support the Mussolini regime without having to send in an army of occupation to Italy. No important decisions in international relations are made until Germany's approval is assured.

33. The Italian Press, to curry favor with the Army and to keep up the spirits of the people, has praised as heroes the defenders of Sidi Barrani, Bardia, Tobruk and Derna. It has minimized the defeats in Albania and Libya as mere tactical reverses which have no effect upon the strategy of the war. The Press has insisted repeatedly that the Tripartite Pact is not a threat to the United States, but, at the same time, the Japanese threat to the United States is emphasized at every opportunity. Before the Presidential elections, the tone of the Press toward the United States was relatively mild. Since the elections the Italian press, following the lead of German propaganda, has been strongly anti-American, discourteous and threatening. President Roosevelt's speech of 29 December was criticized in the Press but made a profound impression upon thinking Italians, including those in the government. The Press generally states that England already would have surrendered had it not been for the support of the United States; that, in giving aid to England, the United States has stepped over the neutrality line, passed through the "non-belligerent" stage and is now in a status known as "short of war"; and that continuation of this encroachment on belligerency will inevitably lead to war. All anti-Roosevelt speeches and all South American opposition to the United States are quoted freely in the Italian Press. The Press also has taken occasion to warn Portugal and Turkey as to what will become of them if they do not discontinue their subservient attitudes toward England.

34. To sum up:- Italy's armed forces have failed miserably, morale is sub-zero, the people are hungry and are on the verge of revolt, Mussolini has been forced to turn to Germany to keep himself in power and to keep Italy in the war, and German domination of Italy grows stronger every day.

~~CONFIDENTIAL~~

21555-W (C-9-2)

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

INTELLIGENCE REPORT

Serial **118-41**
 From **T** at **Rome, Italy** Date **20 March, 1941**
 Reference **N.A. Rome's Dispatch 081630 of March, 1941.**
 Source **CONTRACT** Evaluation **Reliable**
 Subject **ITALY-POLITICAL MOVING-WAT. GOVERNMENT-AND MAKING POWER/ INT. RELATIONS.**

Index—Here enter careful summary of report, containing substance accurately stated; include important facts, names, dates, times, etc.

ITALIAN INTELLIGENCE DATA

High Command in Libya in hands of Germans. Probably 5 German armored divisions in Tripoli. 40,000 German troops in Sidi Barrani, including aviators. Genoa Electric Power Station badly damaged. Germans supply their aviation in south of Italy with gasoline themselves, but with difficulty.

Question of food and clothes in Paris becoming more serious. All population is pro-English, only a part of upper class favorable to Germans. Numerous number German troops in Holland.

Italian ship **ARMANDO DIAS** sunk. Merchant ships **COVIN BERSO** and **CITTA DI MESSINA** sunk. Breda at Turin and Milan builds especially machine guns. Italian A.A. guns cannot shoot more than 6000 meters. The King is at present entirely under influence of Mussolini. Believed that Regalavia will try to resist Axis.

Infernet has wide contacts in Italy, France, Balkans, Spain and in Church. Stated food situation growing more desperate in France. Germans becoming more severe in handling French civil population. Hungary pinched for food.

Germans building second defense line in Poland facing Russia. Blockade beginning to get results. Food situation in Holland and Norway growing worse. Hunger in occupied countries may result in desperate action in next 4 or 5 months. Believed dangerous to reduce troops in occupied countries.

Tempo of German infiltration into Italy increasing. Too late to expect separate action in Italy. King has lost all influence and is now controlled by Mussolini.

RECORDED
 E. O. 11652, Sec. 263 and 265) or (B)
 OGD Index, May 4, 1937
 By SLR Date **MAY 22 1943**

J. G. Hoffman

Distribution By Originator **O.N.I.**

- 1 -

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Col.	Asst. Com.	Cholant																					Retain in Room No.																																																																														

CONFIDENTIAL

1. In amplification of N.A. Rome's Despatch 08150 of March, 1941, the following is submitted exactly in the form received from a contact considered reliable by this office:

High Command in Libya is in hands of Germans. There are at present probably 3 German armored divisions in Tripoli. In Sicily there are 40,000 German troops, including the aviators. At Naples and in Sicily the German police work officially with the Italian police. Several German military convoys per day pass through Milan, travelling south. The Genoa railroad net is being operated with steam engines, the electric power station being badly damaged. Near Tivoli on the banks of the Aniene, big electric power station and gas mask and explosives works. Narni, near Terni, and Sile near Cosenza (Calabria), important power stations. Great lack of gasoline throughout the country. The Germans supply their aviation in the south themselves but with some difficulty. Source: Competent Italian officers.

A relation of mine who returned from Paris tells me that every day the question of food and clothes becomes more serious. All the population is pro-English, only a part of the upper class is still for a *modus vivendi* with the Germans, but as the behavior of the authorities becomes more and more disagreeable, many French have changed their opinion. In Holland there is an enormous number of German troops.

The warship **ARANDO DIAZ** has been sunk with 700 men and 36 officers, 18 days ago. (Information from families). No other confirmation. The ships **CONTE ROSSO** and **CITTA DI MESSINA** sunk; 800 men on the **CONTE ROSSO**. They were aviation mechanical specialists. Information practically sure, from Italian military source. Breda at Turin and Milan builds especially machine guns. The Italian A.A. guns cannot shoot more than 6000 meters. They are built in the Breda and Ansaldo works. German infiltration increasing every day. The King is at present entirely under the influence of Mussolini. It is believed that Yugoslavia will try to resist Axis diplomatic and military pressure. Source: Political circles.

2. In extended conversation with informant it developed that he has wide contacts, not only in Italy and France the Balkans and Spain, but apparently in the church also. He said that the food situation is growing daily more desperate in Paris and shoes and woollens are no longer on sale. The Germans are becoming much more severe in their handling of the civil population. He stated that also Hungary is feeling pinched in food and no more fats are to be had there.

3. Informant stated that the Germans were building second defensive lines in Poland facing the Russian frontier in the rear of the present line. He also stated that the blockade is beginning to get results. The food situation in Holland and Norway is growing worse. Contact believes hunger in occupied countries may result in desperate action on part of population in the next 4 or 5 months. He believes it dangerous to reduce the number of troops now in occupied lands.

4. Contact reports the increasing tempo of German infiltration into Italy, as reported in other correspondence, and believes it now too late to expect separate action in Italy uncontrolled by Germany. He states that the King has lost all influence and is now controlled by Mussolini. This is also reported from other sources.

BRAND

R. O. 11022, Sec. 202 and 203 of (S)

OSD Issue, Nov. 5, 1972

- 2 - by SLK

Date MAY 22 1973

CONFIDENTIAL

21555-N (C-9-2)

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

~~CONFIDENTIAL~~

INTELLIGENCE REPORT

102-200

102-100 103400

Serial 121-41

Monograph Index Guide No.

From T

at Rome, Italy

Date 17 March, 41

Reference

Source CONTACT

Evaluation Reliable (Unverified)

Subject ITALY/AXIS-POL. FOREIGN-POLICY-FOREIGN/DOMESTIC/ INT. RELATIONS.

MISCELLANEOUS INTELLIGENCE ITEMS

An Army Corps has been sent to Cesena for fear of an English landing in the South of Italy. Source: Italian Officers.

News from Poland: Many new arrests in Warsaw because of attempts on lives of Polish traitors. The "Ragielaki" factories at Poznan and the wagon factory at Ostrov are working on armaments. A great lack of specialist engineers in Germany for organization of industry in occupied countries, the local engineers refusing to work and not being sure - Source: Swiss and Italian.

Plane Production in Germany is 2000 planes per month. It is a maximum figure difficult to maintain for long and not possible to surpass. Source - Spanish diplomat in Berlin.

The 7000 ton warship MONTECUCOLI has been sunk. Source: Italian.

A Swiss diplomat told me he had seen a secret report at Berne to the effect that there is a secret pact between Russia and Turkey and Yugoslavia. A high Yugoslav official assured him that Yugoslavia will not let herself be invaded because the sentiment of independence and honor in the country is too strong and too pre-English. A high-ranking Italian officer is surprised that the R.A.F. does not bomb the Genoa-Spezia railroad and all its tunnels, especially Sestri-Levante where there is a precision instrument factory.

Spanish Royal Family and Portuguese Minister believe that Germany's pressure for occupation of Portugal is stronger than ever and that this may happen very shortly. In view of this possibility please send funds.

The above data was received from a contact considered reliable but the facts related have not been verified by this office. British Radio reported the sinking of a light cruiser in the Mediterranean on about 10 March. This is believed to be the Montecucoli. Contact states this practically sure. Contact further stated that the reason for German pressure on Portugal is due to fear of occupation of Azores and the Canary Islands by England or America.

The above is a verbatim translation from French of a report submitted by contact.

DECLASSIFIED

EX. 11002, Sec. 303 and 307 of 50 USC

DATE: 10/15/82 BY: SP-10

MAY 22 1973

Distribution By Originator O.N.I.

Reading space below for use as O.N.I. routing slip should not be used for routing of this report to other agencies. To mark this portion copy of this report has been prepared for information. See General Routing of Agreements. Do not use routing slip for routing of other papers of this report.

Mr. Tolson	Mr. E.A. Tamm	Mr. Clegg	Mr. Glavin	Mr. Ladd	Mr. Nichols	Mr. Rosen	Mr. Tracy	Mr. Carson	Mr. Egan	Mr. Gurnea	Mr. Harbo	Mr. Hendon	Mr. Pennington	Mr. Quinn	Mr. Nease	Mr. Gandy

Cinofant

~~CONFIDENTIAL~~

Germans there will have great moral effect throughout Balkans. British believe Turks may be prevailed upon to "come in" if Germans are resisted.

Italian official circles believe Russia is playing the game with Yugoslavia and Turkey for which reason more firmness being shown toward Germany. Germany believed more interested in obtaining permission to cross Yugoslav territory than obtaining another Axis partner.

Hilli, of the Foreign Office, just back from Germany, is quoted as saying "Germans are worried for the first time".

An interesting report from Berlin, 18 March; will try impress Matsuoaka with German military might and to convince him of England's early downfall. Prominent German indicates that Hitler determined keep U.S. out of the war. Japan assigned role of "honore". Hitler said worried over possibility action in Pacific by Japanese extremist group may involve U.S.

Consul General Genoa, 15 March, says morale low there. Many people have left Genoa since the Naval Bombardment and many new air raid shelters being built.

Embassy notified 16 March by Foreign Office that they have knowledge that "GOLD HARBOR" (Red Cross Ship) entered Bay of Cadix escorted by British man-of-war. Give warning about repetition of such occurrence.

New decree law authorizes War Ministry assume new obligations of 20 billion lire. This makes total authorization since beginning war of 50 billion lire.

Editorial comments on President's speech of 15 March presents nothing new and deliberately misrepresents greater part of remarks.

Capda says "reversal of the Monroe Doctrine creates precedents which may one day be turned against U.S."

Italian authorities decide to intern all civilian enemy aliens. Change in concentration localities planned.

Gasoline ration for members Embassy staff reduced to 150 liters per month beginning 1 April.

1. ITALIAN WAR NEWS:

From Italian sources considered reliable it is stated that the Mussolini offensive in Albania has been a complete failure. The losses, including dead, wounded, and missing are at least 18,000 and probably much higher. The morale and physical condition of the troops, which were bad at the start, have worsened considerably. Apparently Mussolini expected the offensive to be a complete success and plans had been made for his triumphal return to Rome on March 23rd on the anniversary of the founding of the first Fascist Combat Group. Pictures had been made by "LUCK" of Mussolini, with Starace and Farinacci, reviewing troops on the eve of the attack. The pictures were destroyed immediately when the poor appearance of the troops was so noticeable.

Information from reliable sources:- The split between Mussolini and Cavallero was very serious. Cavallero, in addition to making the points previously reported, pointed out to the Duce that at least 15 days' sunshine was needed to dry out equipment and the terrain, and to improve the morale of the soldiers, who had suffered from the severe winter weather. He added that neither the Italians nor the Germans were ready for a sustained move against Greece at that time. When Mussolini opposed his views, Cavallero offered his resignation, but it was refused, although Mussolini subsequently offered Celso the command. The latter begged off, but apparently some agreement was reached, as Celso later turned out to be No. 2 to Mussolini, who personally directed the offensive. The move was started on the first sunny day, and the results are those already reported. Figures on losses are mounting, however, and ansuco of the Foreign Office is reported to have said two days ago that the dead and wounded totaled 30,000.

Persons who have been on the Albanian Front say there is no danger of the Italian army crumbling, despite the utter failure of the counter-offensive as the Italians now hold good positions which it is believed can be held against any attack which the Greeks may make.

Celso is said to have been even more opposed to the offensive in Albania than Cavallero.

DECLASSIFIED

E. O. 11652, Secs. (b)3 and (b)7 of (D)

Class. Exempt, May 4, 1972

By: SLR

Date: MAY 22 1973

From Italian sources considered reliable it is learned that the German forces in Bulgaria will move against Greece shortly. They are to proclaim, however, that they are not attacking Greece but rather the British in Greece, and apparently they intend to make a show of attacking only British encampments, positions, etc. They hope thereby to achieve the political disintegration of Greece. The German move is to have no obvious connection with the Italo-Greek war and the explanation will be offered that the move is a continuation of the German effort in Roumania and Bulgaria to drive the British from the Balkans.

From a reliable source it is learned that through inefficiency and carelessness the hospital ship *FO* was in complete darkness when attacked by British torpedo planes.

Information considered reliable says the German forces in Libya are experiencing great difficulty in acclimatizing themselves and moreover find it difficult to adapt themselves to the type of warfare there.

A reliable Italian officer states that opinion among his Army Officer friends was that in case the British troops in Libya were able to decisively defeat the Germans there, it would have a big effect all over Europe, and especially in the occupied countries. This same officer said that it is believed that the British are transporting troops by plane from Cyrenaica to points south of Tripoli.

An Italian Army Officer said on 17 March that all Army Officers are continually being given information concerning parachutists. They have been notified that parachutes were found at Fregene and in Sicily last week but the parachutists have not been apprehended. They are believed to be exiled Italians who are hiding in the homes of their families until the search is given up. From other reliable sources, parachutists are known to have been dropped in Southern Italy.

A reliable contact states that he was recently delayed for four days in a railway trip from Southern Italy to Pescara due to the explosion of a mine which had drifted in from the Adriatic and exploded under a railway bridge which crossed a small stream where it emptied into the sea.

From a reliable source it is learned that while the *DUILIO* is undergoing repairs at the Cantiere del Tirreno in Genoa certain minor changes are being made in her compartmentation. Details of this change are not known at present.

On 10 March the British Radio announced that an Italian cruiser of the *COLLEONE* class had been torpedoed in the Mediterranean by an English submarine and that the cruiser was considered to be a total loss. Information from a contact, reliability unknown, states that the cruiser torpedoed at this time was the *MENECUCOLI*. She is said to have been sunk.

2. MISCELLANEOUS:

The appointment of the former Governor of Athens, who is known to be pro-German, as Governor of Thrace, is interpreted as an indication of the desire of the Greek Government to avoid, if at all possible, a war with Germany. It is said that practically all Greek troops have been withdrawn from Thrace, but Italian information is that the British have 200,000 troops in that area and are preparing to fight to hold Salonika, the idea being that if they can continue the war there, and hold out against the expected German attack, the moral effect throughout the Balkans will be worth the effort. They also feel that if they resist, the Turks can be prevailed upon to come in.

Germany is said to be less concerned about the signature of the Tripartite Pact by Yugoslavia than about obtaining permission for German troops to cross Yugoslav territory. Yugoslavia continues to hold out on this point, however, and it is generally believed in Italian official circles that Russia is playing the game with both Yugoslavia and Turkey, and that this factor accounts for the great degree of firmness towards Germany thus far shown by both powers.

DECLASSIFIED

- 3 -

Muller (Foreign Office), who has just returned from Germany, is quoted as saying that for the first time the Germans are worried.

It is learned from Berlin, 18 March, that Germany will make every effort to insure that the result of Matsuoka's visit will be a complete binding of Japan to the axis. They will use every means to impress him with Germany's military might and to convince him of England's early downfall. A prominent German is reported as indicating that Hitler is determined to prevent the United States from entering the war, in spite of his exasperation at the U.S. attitude. He is worried for fear the extremist group in Japan will attempt a coup in the Pacific which might involve the U.S. The role which Germany has assigned to Japan is one of "menace" in order to prevent all-out American aid to Britain. The Germans will attempt to explain to Matsuoka that after England's collapse, Germany will extend effective political and if necessary military aid to support Japan's claims. It is thought that Matsuoka will discuss Russia's attitude toward Japan, with the hope that something may be done to improve the relations between the two countries.

The Consul General, Genoa, reports 15 March that his consulate is being closely watched by Carabinieri and plain clothes men. He states that morale is very low in Genoa and there are indications that in case the war is not brought to a successful conclusion by the fall there will be definitely wide-spread discontent and danger of a general revolt. Many people have left Genoa since the naval bombardment and many new air raid shelters are being built in the center of the city.

The Embassy was notified by the Foreign Office in a note dated 16 March that it had come to their knowledge that the Red Cross Ship GOLD HARBOR arrived at the entrance to the Bay of Cadix escorted by a British warship. They warned that a repetition of such an occurrence would make it impossible for the Italian Naval authorities to guarantee safety to such neutral ships.

A Decree-Law of 17 February, just published in the Official Gazette, authorizes the Ministry of War to assume obligations for expenditures resulting from the State of War to 20 billion lire in addition to the 14 billion previously authorized. This makes a total authorized for the War Ministry since the entry of Italy into the war of 34 billion lire.

Editorial comment in connection with the President's speech of 15 March presents nothing new and deliberately misrepresents the greater part of his remarks. One commentator says the President spoke in "his customary messianic style" and the speech was brimming over with exalted presumption.

Gayda says that the President was careful not to define the real purposes of his aggressive intervention and that the speech "thundered presumption with the voice of arrogance and ignorance". He goes on to say that the reversal of the Monroe Doctrine creates precedents which may one day be turned against the U.S.

The Embassy has learned from the Foreign Office that the Italian authorities in order to simplify surveillance, have decided to intern all civilian enemy aliens who are still at liberty and to this end such civilians are being notified that they must be prepared to leave their present residences. The authorities are also considering, in order to improve conditions, concentrating internees in a few localities instead of the 145 localities where they are at present interned.

The Embassy received a Note Verbale from the Foreign Office on 18 March stating that commencing 1 April the amount of gasoline to be permitted the Chief of Mission would be 500 liters per month, and all other accredited members of the staff 150 liters.

DECLASSIFIED

E. O. 11652, Sec. 2(b) and 5(b) - (S)

ORND Letter, May 4, 1972

By: S.H.R.

Date: _____

MAY 22 1973

DECLASSIFIED

E. O. 11652, Sec. 5(7) and 5(D) or (E)

OND letter, May 3, 1973

By SLR.

Date

MAY 22 1973

TELEGRAPHIC ADDRESS:

"ALUSNA HOME..

A M E R I C A N E M B A S S Y
O F F I C E O F T H E N A V A L A T T A C H E
R O M E

7 April, 1941.

~~SECRET~~
30
APR 30 1941

AS-2(103)



O F F I C E O F
N A V A L I N T E L L I G E N C E

From: Naval Attache, American Embassy, Rome, Italy.
To : Director of Naval Intelligence.

Subject: Information received from Contact mentioned in reference (a).

Reference: (a) N.A. Rome Secret Letter AS-5(9) of 9 January, 1941.

1. The contact referred to in reference (a) is now in Rome where he expects to remain until about fifteen April when he will depart for Lisbon. After remaining in Lisbon for two or three weeks he will sail for the United States.

2. The following items of information were obtained from him in a conversation 4 April, 1941:-

(a) 20,000 German troops will move through Italy destined for Africa in the next few days. [It is the intention of Germany to keep Germans coming through until there are 250,000 in North Africa. These troops will be completely equipped down to the last screw and nail. Each soldier will have 3 uniforms, two khaki and one white, with boots especially designed for desert warfare.

(b) At the present time German troops are being concentrated in Calabria about the Gulf of Taranto and down in the toe of the boot. They will probably embark in Calabrian ports, steam north through the Straits of Messina, along the north coast of Sicily then south to Tripoli.

(c) Each Italian port, such as Naples, and Catania, where there is movement of both German and Italian troops out of Italy, is divided into two distinct sections, one Italian, dirty and unkept, and one German kept in apple pie order. The German section is completely under control of German officials.

(d) All the people in Trieste expect the Germans to move in and that Trieste will never again be Italian. Greeks, resident there, who were once Italian citizens, are selling their houses and property and moving out. Some of the rich influential families have sold their property already.

(e) Germany contemplates continuing her war in the Balkans and active operations can be expected shortly after the 15th of April. Into Greece for Salonika will probably be one of the earliest moves (Only 14 days estimated for Greece); into Yugoslavia to control that country and into Turkey for a further drive towards Asia Minor and the oil fields. Blitzkrieg tactics similar to those used on Holland and Belgium will be employed. Fifth Columnists have already infiltrated into countries in question.

~~SECRET~~

DECLASSIFIED

E. O. 11652, Sec. 5(b) and 5(d) or (E)

CLASSIFIED BY

DATE 11/17/72
MAY 22 1973

TELEGRAPHIC ADDRESS:
"ALUSNA HOME.."

~~SECRET~~

A M E R I C A N E M B A S S Y
O F F I C E O F T H E N A V A L A T T A C H E
R O M E

AB-2(103) (Page two)
7 April 1941

(f) The Alfieri, Italian Destroyer, was sunk, making the total of 6 ships sunk in the battle off Crete on 28 March.

(g) The CONTE DI SAVOIA is being employed in the carrying of troops.

(h) Conditions in Spain very bad. Famine is increasing and starvation general. Fact that England will not permit the entrance of additional food stuffs will probably soon cause a revolution and Franco will be deposed thus giving Germany the opportunity she has been waiting for to put her own men in control. Sir Samuel Hoare has gone to London, Believed he will ask his Government to allow additional foodstuffs to Spain.

(i) Germany is buying large stocks of foodstuffs in Portugal and storing them there making it appear that they are expecting large numbers of troops.

(j) German soldiers coming to Italy have received orders that they are to accept absolutely nothing from Italians as gifts in the way of necessities, equipment, or even gifts of fruit.

(k) From the same contact who obtained the information from a high German official in Genoa: [The British bombardment of Genoa did an appalling amount of damage, to such an extent that people with financial means have left the city and intend to remain out.

(l) From the same contact, same German official source: Germany is sending fifth columnists to the United States among the refugees that are being taken out of France.

(m) Same German informed contact that England would be defeated but when America entered she would win the war. He pointed out that Germany will do all in her power-not to declare war against the U.S., but force the U.S. to declare war against Germany, thus making it compulsory for Japan to enter on Germany's side.

(n) It is all arranged in Germany that should Germany be defeated she will install a Communist Government at once, well-knowing (that England, America and France will not attack a communist nation, especially when backed up by the Russians.

(o) Germany is sending machinery of all kinds, and personnel to operate and direct it, to Russia and these machines are being used to construct Russian airplanes, tanks, guns and munitions. In return Germany has been given complete control of the mining industry, where its technicians are in charge of the output and are installing German equipment. Germany has also been given wide control in agriculture, thus assuring sufficient food for Germany.

TELEGRAPHIC ADDRESS
"ALUNNA ROME..

~~SECRET~~

A M E R I C A N E M B A S S Y
OFFICE OF THE NAVAL ATTACHÉ
R O M E

AS-2(103) (Page Three)
7 April 1941

(p) Germany has moved principal aircraft factories out of Germany to Austria, Czechoslovakia and Poland. Dummies left behind.

(q) Confirmed fact that Italian Battleship VITTORIO VENETO came in badly damaged after the action on 28 March.

(r) Germany has a new A.A. gun which has a range of 12,000 meters.

3. It is certified that the originator considers it to be impracticable to phrase this document in such a manner as will permit a classification other than SECRET.

DECLASSIFIED

E. O. 11652, Sec. 3(E) and 3(D) or 408
OSD letter, May, 4, 1972

By SLR

Date MAY 22 1973

Brief (Continued)

Report of five Danish merchant sailors who passed through Italy on 26 June enroute from Crete to Denmark as result sinking of their ship in Suda Bay by Germans on 8 May.

Their ship, now Danish Tanker, sent to Crete by British, full of fuel oil and anchored in Suda Bay. Left exposed to German daily bombing. Sunk on 8 May. British did not move ship in effort to save it. Crew put ashore where they watched ship sink. Crew scattered, and group in question started across island and were detained at British Army Camp. Wanted to leave because of German threat but were assured by officers that there was no danger from Germans. Little or no precautions or defensive measures taken. Little planning against surprise. One evening enemy reported that camp was surrounded by Germans. Camp was captured and sailors made prisoners. They were well treated by Germans. Comments on British defensive measures not very complimentary. General lack of organization. After fighting over Italian troops landed and immediately started plundering. German contempt for Italian ground forces unlimited. Sailors sent to Rinaldi and then to Rome.

They witnessed torpedoing of the British Cruiser YORK by one-man torpedo boat. Small boat had an explosive charge secured to its structure. When about 1 or 2 hundred yards from York operator jumped overboard and boat with charge hit the ship blowing in the side.

On some days bombing of ships in Suda Bay unopposed and it is a wonder more ships not sunk. Although pro-British, these men had little admiration for British Army's military operating efficiency.

German Fifth Column Activities in Foreign countries divided into five fields or sectors - Political, Military, Social, Agricultural industry and International Industrial. Each has head and works decentralized manner. Headquarters Agricultural Sector in Argentina. Main targets in South America are Argentina, Brazil and Chile. Plan to ignore commercial treaty on Argentine similar to that put over in Yugoslavia. Industrial Sector has for principal aim setting up of international trusts and control of markets. I.G. Farbenindustrie forms part of this sector. Formerly Fifth column activities controlled by Consular Officers, but now believed taken over by I.G. Farbenindustrie.

Italy planning set up independent Albania and Greece removing Italian authorities. Expected that by giving these countries greater degree autonomy they place responsibility for feeding them on local native authorities.

Major act of sabotage planned against U.S. Army during coming August.

Started 12 Stukas and 4 Messerschmitts have been sent to Central American country under non-German auspices. Hangars under-ground. Place and location of hangars not divulged.

Copies all code messages sent from American Embassy, Rome, sent to Berlin. Informant believes American codes broken.

Reported Italy has number of consular agents in small cities of U.S. who do not have diplomatic or special passports. In civilian status. These have had special training at special schools and come directly from Rome and most important in their system. These and Public Secretaries are most dangerous. They should be prohibited from leaving U.S. if necessary to apply pressure on Italian cities because of retention of Americans. Also number of Honorary German Consuls in similar status in American small cities.

Reported on 25 June Black Shirts mobilized in Rome to search for people passing out Communist pamphlets. Many such pamphlets passed out in Rome.

~~CONFIDENTIAL~~

UNCLASSIFIED

E. O. 11652, Sec. 2(b) and 5(b) of (S)

OSD letter, May 1, 1972

by STH

Date MAY 29 1973

~~CONFIDENTIAL~~

CONFIDENTIAL

1. ALBA MAR BOMB:(a) Italy:

* A non-combat but reliable observer reports seeing approximately 40 Italian light units in the Gulf of Cagliari during the past two weeks. The number of units present varies, the greater part operating in the day time and returning to the base at night. These units were last observed on the morning of 26 June.

A reliable contact and been observer states that the moral effect of bombing on the people of Rome would be tremendous and that the Italians would soon give in. It would be easy to avoid the Vatican because of the sharp delineation afforded by the river. It would be more demoralizing to bomb Rome than any other city in Italy. This contact states Milan is ripe for revolution. The wounded officers and those on leave are all disgusted with the situation. This is a splendid field for propaganda. This contact also states that Messina is an excellent place for a landing by the British as it is not defended.

(b) Germany:

A reliable contact states he has learned from a German agent that the young German soldiers in Africa are dying like flies from tropical diseases. They also suffer from exhaustion of the joints, an illness caused by the heat and climatic change.

A reliable contact reports the following from a conversation with a German Officer:

"This officer was discouraged over campaign in Libya. He said the British were destroying convoys too rapidly and German troops could not be properly supplied; they were suffering heavily from the desert conditions, heat, sand and lack of good food and water. He ventured the opinion that the Libyan campaign would be abandoned.

"This officer expressed the opinion that no attempt would be made to invade England, that the island was too well guarded now, and the blockade would be relied upon to starve the British into surrender."

"The withdrawal of the German Air Forces from Sicily was confirmed but no information was given regarding destination of these forces.

"German officers are sure that there is further trouble among the Moslems in Berlin. They cannot definitely state whether it is "out" (whether dead or alive not explained) and say that Hitler may be involved but this is not certain. Starving is said to be safe. They predict a military dictatorship but think Hitler will be left as nominal figure but without real power.

"News from unclassified sources reported in regard to the Germans in Gibraltar. Stated that the people are becoming more and more discontented. Anti-Catholic measures are one source of irritation. Stated that the action of inmates in income tax cases who have been subjected to anti-Semitism and this wounds the feelings of all Catholics. The Europeans are quoted as saying: "If we win we shall still be miserable and starving; if we lose the war we shall be miserable but we shall be free".

"Contact states that he knows an Italian Officer who has been sent to Spain, that he considers this confirms reports that many Italian troops are being sent there to "cover" the German troop movements against Gibraltar and Portugal."

* A reliable contact states he was told by a German Agent that after defeating Russia the Germans intend to go to a certain line and stop. Hitler will make a speech in which he will propose peace to the whole world and ask that they all sit down for a conference. In this speech he will announce to the world that he has cleaned up the mess of Bolshevism.

* A contact who in the past has furnished accurate information reports as follows:

"It was stated that the German General Staff expects to finish the Russian drive in six weeks. The present heavy drive in Poland will be used to regain Polish territory but will not be the main thrust into Russia. The main thrust will come through Rumania into Bessarabia and on to the oil fields. The German forces operating out of Finland will drive toward Leningrad and then the Finns will be used to pull up the Russian front and occupy the Lake Ladoga and Petrograd areas as a reward for their cooperation. The Finns at present are not fighting

*Dist of these items reported by Despatch.

~~CONFIDENTIAL~~

PROJECTS

E. O. 11652, Sec. 2(b) and 3(b) or (c)

GPO form, May, 1, 1932

By TSM

Date MAY 29 1973

-3-

~~CONFIDENTIAL~~

as they lack necessary equipment. It was reported that German political plans aim at a dismemberment of European Russia and establishment of an independent Ukraine, an independent Georgia, reestablishment of the independence of the Baltic Countries under direct German domination, and enlargement of Finland by the allocation of the above indicated areas. It was further stated that the personnel of the puppet Governments for these states have already been selected and are ready for installation. The Germans will take over these territories, install central, and stop fighting if possible.

The invasion of England was planned for the latter part of July but Hitler was warned by the General Staff that Russia would jump on his back. He, therefore, decided to settle with Russia but an invasion of England is contemplated later. In connection with the military drive on Russia, it is expected by the Germans that they will be helped by a disintegration of the political system in Russia.

The Germans use a flame thrower on their tanks which will project a stream of burning oil 72 meters. Germany also reported to be experimenting with a vertical anti-aircraft flame thrower with range of from 200 to 600 meters.

2. MISCELLANEOUS:

The following is from a thoroughly reliable and informed source:

Five Danish merchant sailors of the best type passed through Italy on 26 June enroute from Crete to Denmark as a result of the sinking of the ship to which they were attached at Suda Bay by the Germans on 5 May. The informant, in his official capacity, interviewed these men in a personal and informal conversation. The following were the high points of the conversation:

Their ship, a new and the largest Danish tanker, carrying a cargo of 16,000 tons, was sent by the British to Crete and anchored in Suda Bay on 26 April, full of fuel oil, and was left there exposed to the daily bombing by German planes until it finally was sunk on 5 May. These sailors were very bitter against the British for having left their fine and valuable ship to be bombed and sunk when they might have moved it around from point to point or at least to different parts of Suda Bay. After taking out all but 5000 tons of oil the crew was put ashore and there watched their ship get 3 direct hits from German bombers and burn for five or six days. After this catastrophe the crew scattered and tried to find small boats with which they could get off for the purpose of intercepting a British ship. This particular group started across the island and came upon a British Army camp where they were detained. They begged permission, because of the German threat, to leave the camp and make their own way back to some ship on which they could be reemployed. The sailormen stated that the British officers assured them that there was no danger from the Germans and that they took little or no precautions or defensive measures, nor were they particularly careful in planning against surprise. As a consequence, one evening a sentry came in and told them that the camp was completely surrounded by Germans. The camp was captured and the sailors made prisoners by the Germans, who treated them very well. Their comments on British defensive measures were not complimentary and they said that there was a general lack of organization as far as the could see. After the fighting was over the Italian troops landed and immediately started plundering. This had not been practiced by the Germans and to stop it it was necessary for the Germans to arrest and put in jail many plundering Italian troops. The German contempt for the Italian armed forces was unlimited. The Germans finally arranged their passage from Crete to Brindisi where they were clapped into jail by the Italian authorities until their identity was reestablished.

They stated that they witnessed the torpedoing of the British Cruiser YORK and that it was done by the so-called one-man torpedo boat. They stated that this small boat apparently had an explosive charge secured in its structure and proceeded at high speed towards the YORK. When about two or three hundred yards from the York the operator jumped overboard and the boat with its charge hit the ship blowing in the side. This is the first instance known to the Naval Attache personally of the use of this new weapon. They did not state what happened to the operator of the boat but he apparently had some sort of life-saving gear and was apparently later picked up by one of the fast motor boats, either German or Italian.

RECORDED

E. O. 11652, Sec. 2(b) and (c) of (b)

CLASSIFIED MAY 4 1972

By G.L.R.

Date

MAY 2 1973

CONFIDENTIAL

They said that the bombing of the ships in Suda Bay by the Germans was an easy target completely unopposed and it is a wonder that more were not sunk. Although strongly pro-British, these men had little admiration for the British Army's military operating efficiency.

Although being sent home by the German Government, they did not want to return to Denmark as they believed they could get a job on some ship operating on the side of Great Britain in some of the ports of the Mediterranean. They were dressed in nothing but sandals and dungarees.

The following was given the Naval Attache by a contact which has furnished accurate information in the past.

German Fifth Column activities in foreign countries are divided into five fields or sectors, political, military, social, agricultural industry and international industrial. Each has a head and works more or less in a decentralized manner free from central control. Social Sector's principal duties are to recruit out individuals in social circles and organize pro-German cells where possible. Agricultural sector, instead of working among agriculturists confines its activities to those industries upon which agriculture depends such as packing houses, grain storages, etc. Headquarters in the Americas of the Agricultural Sector is in the Argentine and strenuous efforts are being put forth by that sector in that country. The main targets of the fifth column drive in South America are Argentina, Brazil and Chile. There is a plan to impose on the Argentine a commercial treaty similar to that put over in Yugoslavia. It was about as follows: A mutual benefit commercial treaty was made by Germany with Yugoslavia in which a barter of goods was to be effected. The exchange was to be on the basis of 20 dinars to one dollar. The Yugoslavs delivered their products in good faith. The Germans, pretending impossibility of transportation, delivered very little and then later when Yugoslavia had imperative need insisted upon settlement on the basis of 30 dinars to the dollar. It is understood that the same plan is to be carried out in making treaties with other A.B.C. countries. The International Industrial Sector has for its principal aim the setting up of international trusts and by agreement with representative industries in each country to control markets. Contact stated positively that the I.O. Furberindustria forms part of this sector (See N.A. Home's Despatch 101800 of June). Formerly all fifth column activities were controlled and directed by German consular officers, but it is believed that they have now been taken over by the I.O. Furberindustria.

This contact stated that Italy is planning to set up an independent Albania and Greece removing Italian functionaries, giving these countries a greater degree of autonomy. They will abolish the Under Secretary for Albanian Affairs now part of the Italian Ministry of Foreign Affairs and will establish a high Commissioner in Albania. It was implied that by giving these countries a greater degree of autonomy they will place the responsibility for feeding them on the local native authorities instead of on the Italian Government.

He states that a major act of sabotage is planned against the U.S. Army during the coming August. Exact date, character, or place would not be stated. Informant stated that he had this information but could not divulge it until he gets out of the country.

Informant stated that 12 Stukas and 4 Messerschmitts had been sent to Central American country under a non-German camouflage. The hangars to house these planes are underground. The place and location of these hangars would not be divulged.

This informant stated that a copy of all code despatches sent from the American Embassy, Rome, is forwarded to Berlin. Informant stated he believed American codes have been broken.

A reliable contact reports that he has learned that Italy has a number of Consular Agents in the small cities of the United States who do not have diplomatic or special passports. These are in the status of civilians. These have had special training at a special school and come directly from Rome and are most important in their system. These people and the Fascist Secretaries and under-secretaries are most dangerous. They are the ones who should be prohibited from leaving the United States if the necessity to apply pressure on the Italians arises because of retention of Americans here.

DECLASSIFIED

-5-

E.O. 11652, Sec. 2(D) and 3(D) or (E)
 GPO letter, May 4, 1972

By NLR

Date: MAY 20 1972

CONFIDENTIAL

NA ROME ITALY, #231-41 of July 1, 1941

This same contact reports that there are a number of Honorary Consuls of Germany in a similar status in American small cities. Some are civilians and others are not. They all belong to the party and are political agents. In some small towns there will be found one who will own a factory and in his office he will carry on activities in the interest of the German Government.

A reliable contact states that on the night of 25 June the Black Shirts in Rome were mobilized to search for people passing out Communist pamphlets. Many have been passed out in Rome.

~~SECRET~~

RECORDED
D. C. PROC. No. 612 and 631 of 15
CLASS. Sec'y. May. 6. 1970
By SLB Date MAY 22 1973

21555-X (C-9-2)

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

~~CONFIDENTIAL~~ INTELLIGENCE REPORT

105-1484
98-100
98-100
100-100
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Serial **899-41**

Monograph Index Guide No. 108-100/899
(To correspond with SUBJECT given below see O. N. I. Index Guide. Make separate report for each such title.)

From **T** at **Rome, Italy** Date **23 July** 19**41**
(Ship, fleet, unit, district, office, station, or person)

Reference **-**
(Directive, correspondence, previous related report, etc., if applicable)

Source **CONTACTS** Evaluation **Indicated**
(As official, personal observation, publications, press, conversation with—identify if possible. (As reliable, doubtful, unverified, etc.)

Subject **ITALY/POWER-POL., POWER-POLICY-POSITION/DONORIAL/ INT. RELATIONS.**
(Main title & per index guide. (Make separate report for each title.)

Notes: (Here enter careful summary of report, containing substance succinctly stated, include important facts, names, places, dates, etc.)

CURRENT EVENTS AND COMMENT
14 - 21 JULY, 1941.

1. Axis War News:
(a) Italy:

New light cruiser undergoing trials in Trieste area. Probably one of 1936 program.

Edo VITTORIO VENETO and LITTORIO left Naples on 10 July for Maddalena Bay. VENETO reported having shaft troubles.

Large numbers of people reported leaving Naples for fear of air raids. Difficulty supplying Axis troops in North Africa growing serious due British submarine campaign. Even coastal traffic practically suspended.

Vessel sunk in late June confused with CORIRIA was auxiliary cruiser CORIRIA of 11,000 tons. CORIRIA positively not sunk.

Italian attack on Malta still not confirmed. M.A. Rome estimates there are 6 divisions Italian Army in Sardinia, ultimate destination unknown.

Battleship VITTORIO VENETO reported being constantly shifted between ports to avoid British bombing.

German and Italian officials astonished at accuracy of British bombers recently.

(b) Germany:

Germans again moving troops to North Africa.

Increased suffering among German troops North Africa due lead poisoning.

German Ministries opening additional offices in Vienna for fear coming air raids. Ministers spending much time Vienna.

2. Miscellaneous:

Present Japanese Government temporary. Will soon be replaced with a predominantly army cabinet with Kenyo out.

Japanese force of over 100,000 including 500 German pilots and mechanics assembled and ready. Heavy equipment loaded on transports. Information on destination not available.

3 representatives of East Indian revolutionary Party in Rome. Said to be responsible only to Mussolini and Ciano. Information relating to their activities or names not available. One calls himself Chedoi or Cedei.

~~CONFIDENTIAL~~

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Chief																			
Secy																			
Asst.																			

~~CONFIDENTIAL~~

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CONFIDENTIAL

N. A. Rome 259-41 of 22 July, 1941

1. AXIS WAR NEWS:

(a) Italy:

*From a new and untested source it was recently learned that a new light cruiser has been undergoing trials in the Trieste-Pola area. This is probably one of the 1938 program.

*From another new source it was learned that the VITTORIO VENETO and LITTORIO left Naples for Maddalena Bay on the night of 10 July after an air raid on Naples. When about 40 miles from Naples the Littorio was forced to tow the VITTORIO VENETO. Since recent repairs the VENETO reported having serious shaft troubles.

Rating "A" - Great numbers of people are reported leaving Naples since the recent air raids commenced.

Rating "A" - Due to British submarines, the difficulty of supplying the Axis troops in Africa is growing very serious. Even the coastal service between Naples and Genoa is practically suspended. This report from an official Italian source.

*The vessel sunk in late June which was confused with the GORIZIA was the auxiliary cruiser ASPERLA of 11000 tons. The GORIZIA was positively not sunk as reported. Rating "A".

*The Italian attack on Malta is still unconfirmed (See my 252-41 of 15 July). The Military Attache, Rome, estimates that there are 6 Divisions Italian Army in Sardinia. The ultimate destination of these troops is unknown.

*Rating "B" - Reported that the battleship VITTORIO VENETO is constantly being shifted between ports of Sicily and western Italy, and to Sardinia, to avoid British bombing attacks.

Rating "B" - German and Italian officials are astonished at the accuracy of new British bombers used in raids on Naples. Military objectives were hit and destroyed within a few yards of non-military objectives without injuring the civil population.

RECEIVED

E. O. 11652, Sec. 803 and 807 or (S)

OSD letter, May, 4, 1972

By SLR

Date MAY 22 1973

(b) Germany:

Germany is again moving troops to North Africa. 500 German troops are reported to be passing through Italy each night going south. It is believed that these troops are being concentrated either in Messina or Reggio Calabria. Rating "B".

*Rating "A" - There is increases suffering among German troops in North Africa due to lead poisoning due to use of badly preserved foods. The German military authorities demanded supplies from the Italians who replied that they had no more preserved food.

*Rating "B" - German Ministries reported to have opened additional offices in Vienna for fear of coming British bombardments of Berlin, and German Ministers reported spending much time in Vienna. Trains running south out of Berlin reported packed with people escaping from Berlin.

*Gist of these items reported by despatch.

CONFIDENTIAL

S.A. Rome #259-41 of July 22, 1941

2. MISCELLANEOUS:

*Rating "B" - The recently formed Japanese Government is a temporary arrangement which will soon be replaced with a predominantly army cabinet with Konoye out. This report is said to have come from German Embassy at Rome.

The same source states that a Japanese force of over one hundred thousand, including five hundred German pilots and mechanics, is assembled and ready. Heavy equipment such as tanks, trucks, guns, planes (including Stukas) is already loaded on transports. There is no information whether the move will be towards Kamchatka, Indo China, or East Indies.

Rating "C" - Reported that there are now in Rome three (3) representatives of the Indian (east) revolutionary party. One claims to be a professor in a Rome school or college, one states he was formerly in the United States and nothing is known of the third. An employee of this office has associated with this party and he was told that they were responsible only to Mussolini and Ciano and that they never did business with anyone else. On one occasion, when out for a walk in the evening, with our employee, they were being annoyed by a policeman who persistently followed close behind them. As a demonstration of their power here one of them said he would talk to the policeman and to observe what happened. He spoke in Italian and it is said that the policeman was so scared he could hardly speak and immediately left them to continue their walk alone. This office has no further information relating to their activities nor are their names known but one of them calls himself either Chedoi or Cedoi.

*List of this item reported by despatch.

- 3 -

~~CONFIDENTIAL~~

DECLASSIFIED
E. O. 11652, Sec. 3(c) and 3(d) or (5)
GSD letter, May 4, 1972
By SLR Date MAY 22 1973

Brief (Continued)

2. Miscellaneous:

Reported killing of idiots and allegedly crazy persons practically completed. Starting soon on old and ineffective people.

800 catholic priests of German origin in Italy. Cannot return to Germany, prohibited by German government.

According to Lateran Treaty pope cannot leave Rome during war time.

English Lady, married to an Italian told in letter from Italian Consul in Cologne that in the middle of August there "would be great heat" in the land of her birth, implying a German attack on England about that time.

Discontent in Italy increasing, but people still have much confidence in Germany's strength.

UNCLASSIFIED

E. O. 11652, Sec. 2(E) and 2(D) of (b)
OSD letter, May, 4, 1972

- 2 -

By SLR

Date: MAY 22 1973

~~CONFIDENTIAL~~

1. ALLS AR NEWS

(a) Italy:

* Italian Oil Reserves are now being used and they are having great difficulty in getting replenishments. There appears to be no scarcity of fuel in the German forces. The Germans are reported to be transporting oil through the Mediterranean from Roumania. Rating "B".

* Rating "B" - The production of synthetic gasoline in Italy is at a minimum (25,000 tons) due to lack of coal. There are two factories for production of synthetic gasoline, one at Livorno and another at Bari.

* Rating "B" - Italian cruisers and destroyers are delivering tanks and armored equipment to North Africa. The destroyers carry one tank forward and one aft; the cruisers 2 forward and 2 aft.

* Rating "A" - 3 Divisions and 4 battalions of Blackshirts have been sent to Montenegro to help control the situation. 500 revolutionists were killed in Albania. This has been confirmed. The inspector general of Communications was assassinated in Dalmatia.

* Rating "A" - The Italian laboratory for experiments on poison gases at Milan and manufacturing plants there, have been producing gas in large quantities.

* Rating "B" - An officer in the Italian Army on duty in Sardinia told a member of the Naval Attache's Office that all the large Italian submarines basing in Sardinia carry a German officer on board who is officially designated as a "guest" but is actually in command.

* Rating "B" - It is reported that some Italian troops have reached a point on the Russian front 50 miles beyond the Roumanian frontier, but have not yet been in action.

* Rating "B" - In Croatia Guerilla war by armed bands has recently greatly increased and begins to assume disquieting proportions, especially as there is much sabotage.

(b) Germany:

* Rating "B" - It is reported that the Germans are sending their troops through Naples in small groups but all heavy material, such as tanks, automobiles, planes, etc., is passing through Greece, leaving from Patras and Crete. This material is shipped in individual ships not in convoy. Under cover of darkness these ships are able to make the journey to Libya mostly at night. Being unescorted they do not attract attention.

* These items reported by despatch.

ROUTED

H. O. 11402, Sec. 212 and 213 of the
OSD letter, May, 1942

By SIR

Date

MAY 22 1942

(b) Germany (Continued)

*Rating "B" - There is no information on the amount of oil and gasoline Germany has in reserve, but there seems to be no difficulty in this regard at present. A contact reports that the oil fields, especially near Ploesti, were very seriously damaged and also the refineries. (This from an Italian who owns oil property in Roumania).

Rating "B" - A large contingent of Russians said to be surrounded near Smolensk, but the Germans are in turn surrounded. The final outcome will be determined by whether or not the Russians have enough reserves, tanks and equipment. If they have the German position will become very critical.

*Rating "B" - The moral depression in Germany is more and more marked due to the war to which no end can be seen. The German Ambassador in Rome recently returned from Berlin and complained that even in the best restaurants the food question has grown much worse. She said that during her stay of more than 15 days she was unable to get an egg.

* Rating "B" - Reported that some of the synthetic gasoline factories having been seriously damaged by the Royal Air Force, new ones have been built and are already working more in the center of Germany, nearer Berlin.

* Rating "B" - The most difficult problem at the moment for Germany and Italy which is becoming very serious is the lack of natural rubber, especially as it is reported that synthetic rubber does not stand up in hot climates.

* Rating "C" - There has been an apparent increase in disquiet in Germany and some Italians are viewing the internal situation in Germany with alarm, which is a reversal of the situation of about 6 months ago when the Germans were worrying about the internal situation in Italy.

Rating "B" - The Germans are putting pressure on the Turks for passage of troops in order to attack England through Iraq, Iran, and Syria. The Germans want Baku. In return for Turkey's help they have been promised Syria, part of Iraq, including the Mosul oil district, and Turkestan.

(c) Japan

*Rating "B" - Reported that Japanese Troops referred to as being ready for movement have not yet left (30 July) and are aimed at the Dutch East Indies (Unconfirmed)

2. MISCELLANEOUS:

Rating "B" - In Germany it is reported they are practically through killing off all the idiots and people allegedly crazy. Soon they are going to start on the old and ineffective people.

Rating "A" - In Italy there are about 800 catholic priests of German origin. The German government will not permit any of these to return home, not even one who is very sick and would like to go there for medical treatment.

Rating "A" - It is reported that according to the Lateran Treaty, the Pope is not supposed to leave Rome during war time. It is believed that very shortly the Pope will go to the little cottage in rear of Vatican gardens where former popes used to spend the summer before the Concordat.

*Rating "C" - Tip-off received that all baggage in the outgoing EXCAVATION from Lisbon the latter part of August should be minutely examined by customs agents. This is unconfirmed.

*List of these items reported by despatch.

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E. O. 11652, (Sec. 502 and 503) of (25)

CLASSIFIED, May 1, 1972

By SLR Date MAY 1973

21555-y (2-7-41)

ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

INTELLIGENCE REPORT

103

Serial **381-41**
(Start new serial each year, 1 to 100, 2-40)

Monograph Index Guide No. **102-100/200**
(To correspond with SUBJECT given below. See N. N. I. Index Guide. Make separate report for each main title.)

From **T** at **Rome, Italy** Date **2 Sept.**, 19**41**
(Ship, fleet, unit, district, office, station, or person)

Reference _____
(Directive, correspondence, previous related report, etc. if applicable)

Source **CONTACTS** Evaluation **Indicated**
(As defined, personal observation, publications, press, conversation with—identify (As reliable, doubtful, unverified, etc.)

Subject **ITALY/POWERS** - (Index Guide Numbers Indicated in report)
(When reported on) (Main title as per index guide) (Subtitle) (Make separate report for each title)

Notes:—(Use most careful summary of report, containing substance succinctly stated, include important facts, names, places, dates, etc.)

CURRENT EVENTS AND COMMENT
26 August-1 Sept. 1941.

ITALY WAR NEWS:

- (a) Italy: (1) Contacts in Florence report impression **GORIOLA** sunk. **MONTECUCOLI** not sunk - seen by one contact. Steamer **ESPERIA** reported sunk. **RAK** reported still in North Adriatic. Large ship recently sunk in convoy of 5 ships heading for Tripoli. **GIOVANNI DELLE BANDE NERE** has again been damaged.
- (2) 2 Sources reports **BOLZANO** sunk. British sources report either **BOLZANO** or **GORIOLA** sunk. Very probably **GORIOLA**.
- (3) General Messe in Command Italian Army in Russia.
- (4) Rumors Badoglio to be interned and 3 Generals to be shot.
- (4-a) City of Tripoli reported almost destroyed as result bombings. City being evacuated. Food extremely scarce. Difficulty feeding troops in Africa and impossible reinforce them for that reason. British offensive expected.
- (5) Rumors Hitler warned Royal House that if attempt made to overthrow Fascist Regime Germany will occupy Italy within 24 hours.
- (6) Reported Italian hospital ship **TOSCANA** carrying officers and munitions to Africa and bringing back wounded to Italy on return. This seems general practice.
- (7) General impression in Florence was that people want end of war and that only hope for Italy is British victory. Impression is that all high ranking army officers disaffected and against union with Germany. Some still respect Mussolini but disgusted with those near to him.
- (b) Germany: (8) Germany has requested Italian Government to furnish 1500 medical doctors for Russian front.

MISCELLANEOUS:

- (9) Spanish Embassy contact in Rome expressed belief that Spanish Navy will never fight British Navy and that if Spain is forced to declare war on England a revolution in Spain would result.

DECLASSIFIED

E. O. 11652, Dec. 23, 1965 and GDS, sec. 1.5

DD Form 1, May 1, 1962

Distribution By Originator **O.N.I.**

- 1 -

BY **SLJ**

Date **MAY 22 1973**

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87

ARIS WAR NEWS

(a) Italy:

907 918-300/400

(1) Rating "C" - General impression from two contacts in Florence that the GORINIA had been sunk, but they could give no details. These contacts stated that the MONTUCUCCI was not sunk. She had been seen by one contact. The steamer ESPERIA was reported to have been sunk. Two contacts stated the AMK is still in the North Adriatic and is partially sunk along the dock. Whether this is intentional or due to some mishap is not known.

Rating "A" - In a recent convoy heading for Tripoli, made up of 5 of Italy's best ships, one large ship was sunk and practically all hands lost. Source sister of Army Officer enroute North Africa in convoy.

Rating "B" - The light Cruiser GIOVANNI BATTISTA MARCA has again been damaged and is under repair at La Spezia. 5 to 6 months will be required to complete repairs.

918-300

(2) Rating "B" - From two sources the ROLDANO has been reported sunk. One source states that the ROLDANO was hit in two by torpedo attack of submarine about 25 August near Messina.

N.A. COMMENT: From good British sources it was stated that either the ROLDANO or GORINIA was sunk in action sometime ago. Of this they expressed themselves as positive. If this be the case it was very probably the GORINIA. Unsupported rumors of her destruction have reached this office but have not been confirmed.

908-400

(3) Rating "C" - General Lese is in Command of the Italian Army operating in the Ukraine. He is mechanized forces expert having been in command of the mechanized troops in the Albanian campaign.

908-300

(4) Rating "C" - There are rumors that Badoglio is to be interned, and that three Italian Generals are to be shot.

908 1005

(4-a) Rating "C" - A reliable contact who returned from Genoa yesterday (1 Sept), states that the city of Tripoli in Libya is almost completely destroyed as a result of British bombing raids; that plans are being made to evacuate the civil population; that food is extremely scarce, so much so that the troops now in Africa cannot be properly fed, and it is practically impossible to reinforce them for that reason. From this contact also comes a report of an expected British push from Tobruk to the westward as far as Tripoli.

103-100 104-300

(6) Acting "G" - There are rumors that Hitler has warned the royal house that if an attempt is made to overthrow the Fascist regime Germany will occupy Italy within 4 hours.

103-100 91-2703

(7) Acting "G" - It has been reported by a reliable contact that the Italian hospital ship ROSA (2000 tons) is carrying officers and munitions to Africa on the trip south and that the heads wounded to Italy toward north. Contact stated that one officer on this ship said that they were approached at one time by British bombers and were very much perturbed knowing that the ship was loaded with munitions. Contact reports that the impression is that a large aerial operation is not an exception.

104-300

(7) The general impression received by the Assistant Naval Attache from various contacts during a visit to Florence, including an Army Colonel, an Italian soldier, Italian civilians and some Americans, was that the people are anxious for the war to end and can see that the only hope for Italy is in an Allied victory. As a rule they appeared to be quieter in their sentiments but just as anxious, if not more so, than in other parts of Italy. They are more afraid to talk about anyone unknown is around but every individual has the same idea in mind. The general impression is that all high ranking army officers are disaffected, and particularly are against the union with Germany. A soldier, who had recently served in North Africa, said some of the people still look up to Mussolini but are all disgusted with those near him and know that the reason Italy is in such a bad condition to carry on the war is because of graft.

(8) 104-300

104-300

(8) It is reported that the Germans have requested the British Government to furnish 1500 medical cossors for use at the Russian front. Acting "G".

- 3 -

RECEIVED

E. O. 11642, Sec. 2(a) and 2(D) or (E)
GND Memor. May 5, 1972

By SLE

Date MAY 22 1972

DISPATCH:

100-100 100-100

(9) A Spanish Embassy contact in Rome expressed himself as positive that the Spanish Navy will never fight the British Navy and that if Spain is forced to declare war on England a revolution in Spain would result.

- 4 -

SEARCHED

F. O. 1000, Sec. 500 and 501 or (B)

GDG Index, May, 1, 1972

By: SLS

Date:

MAY 22 1973

rief (continued).

T/330-41

Many German troops have left for Africa recently. These believed to be replacements.

No reports of Italians selling ships to Germans but Germans are on Italian ships. Many German naval junior officers and men seen in Rome recently.

Germans are evacuating civil population of Hamburg. 10,000 wealthy Hamburgers sent to Merano in Italy. Also being sent to Southern France. Sheepskins being requisitioned in Italy to be sent to Germany for winter clothing.

Great train preceding Prince of Piedmont's train detailed.

6000 Sicilian Fascistaries removed from Sicily.

SEARCHED

E. G. (1952, Sec. 800 and 801) or (8)

GND letter, May, 4 1952

By SLR

Date

MAY 22 1973

- 1 -

~~CONFIDENTIAL~~

AXIS MATTERS:

7/330-41

(a) Italy:

602-600, 602-700, X1-600

* The following are observations of a non-technical contact who recently made a trip from Rome to Milano, thence to Genoa, Spezia and Livorno. Listing "A":

At Milano industries appeared to be working at top speed with the Breda works, in particular, going day and night, with heavy work load. It was noticeable that about 70% of all freight cars seen were German and considerable iron, coal and steel scrap is being brought in from Germany daily. At Torino, it was learned that all equipment for Italian soldiers, such as clothing, blankets, etc., is being manufactured there.

602-600

2 September

At Genoa, approaching from the north, the train passed underneath the building ways of the Ansaldo Shipyards at Voltri, a fraction of Oestri Ponente. Two large ships, identical in shape, design and state of completion were on the building ways. The hulls of these ships appeared nearly completed. Guns were not mounted. It was learned that these two ships could not be ready for launching in less than 3 months. These 2 ships were described as being very long and slim. It is believed that they are the COGITO CLANCO and a sister ship. One noteworthy fact was that the same plates were missing on the hulls of both ships indicating that the ships are being constructed step by step together. Consideration must be given to the fact that these ships may be two of the 4,000 ton SCIPIO AFRICANO type which are being built by Ansaldo. At Sampierdarena MAS boats are being built in considerable numbers, with at least one boat being launched every day. There were also 11-12 submarines there, status unknown. As at Milan, all the Ansaldo plants are working continuous shifts with heavy work load. Materials arrive daily from Turin and Milan. It was learned that the guns for the two large ships being constructed (believed CLANCO type) would be installed at Sampierdarena. In Genoa harbor there was little activity. No movements into the port were observed. There were no warships in port. There were four or five merchant ships present, not of the largest type. The largest was identified as the AUGUSTUS. The battleship IMPERO was not at Genoa.

602-600

3 September

La Spezia: In the Navy Yard, a large cruiser and 3 other ships (destroyers or torpedo-boats) were being repaired. The harbor entrance is heavily mined and it was stated that it is impossible for ships to approach the port from the sea. 12 destroyers on ready duty were tied up outside the Navy Yard. At the mercantile docks seven or eight merchant ships were tied up. There was considerable movement in the harbor. Contact learned from an official source that materials from Germany arrive during the night and convoys leave in the early morning. Contact got the impression from this official source that convoys leave La Spezia daily. Inside the Navy Yard were many submarines and MAS boats in addition to the larger ships mentioned above, but no details could be obtained as to their condition. Continuous gunfire was heard indicating the testing of artillery.

602-700

602-800

4 September

Livorno: There was much activity here as at La Spezia. All plants and the Navy Yard were working day and night on new construction. Nothing could be seen inside the Navy Yard. However, close to the yard were 3 new destroyers in the water, one light cruiser which had been launched only two days before (2 September) and another light cruiser which had been launched about a month ago. 4 or 5 merchant ships were present in the harbor. Contact's impression was that there were no ships under repair in Livorno and no big ships present.

602-300

* List of these items reported by despatch.

RECORDED

E. O. 11652, Sec. 3(e) and 3(f) or (g)
GSD letter, May 1, 1973

NY 518

Date MAY 22 1973

~~CONFIDENTIAL~~

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T/330-41

602-600

Rating "B" - The lack of raw materials is making it very difficult for Italy to finish ships under construction.

808-600

*Rating "B" - A contact received a letter from an Army Officer in Sardinia reporting that a large Italian cruiser had been sunk recently and that because of heavy Italian shipping losses recently the movement of his particular unit from Sardinia was stopped.

N.A. COMMENT: The Naval Attache has recently reported 5 to 6 Divisions of Italian troops have been stationed in Sardinia, destination unknown.

808 602-600

* Rating "B" - At Ceccano, near Frosinone, passengers on a train were taken off at 2 o'clock in the morning and escorted by the police into the town. The sky was ablaze and it was later found out that a large glycerine factory at Isola del Liri had been blown up by parachute troops. It has been rumored that there are considerable numbers of parachute troops in Southern Italy and Sicily.

N.A. COMMENT - Reports coming in from various sources indicate that British Parachutists are again active in Italy.

808

* Rating "A" - The Chief of the Italian General Staff, General Roatta, left a few days ago with his General Staff by plane probably for Africa.

*Dist of these items reported by despatch

- 4 -

DECLASSIFIED

E. O. 11652, Sec. 9(b) and 9(c) or 68D

ORD Letter, Mar. 1, 1973

by: SER

Date:

MAY 22 1973

~~CONFIDENTIAL~~

T/330-41

907

*Rating "B" (Non-technical source) There is a ship concentration at Naples. (5-6 September). There were a number of warships all types including heavy units.

N.A. COMMENT: One of these ships on 5 September was positively identified as the battleship VITTORIO VENETO. She is camouflaged with gray and green paint.

907-800

*Rating "B" At Frattibelli (?) in Sicily a bridge with 16 arches was blown up and the railway tracks on each side of the bridge torn up. It was reported that 12 men landed from a submarine for this purpose were captured by the Italians the following day.

N.A. COMMENT: No city by the name of Frattibelli is known to be located between Palermo and Messina where the bridge is located.

918-300

*Rating "B" - The Cruiser BOLLEONE entered some Italian port heavily damaged by the stern. Another report is that the BOLLEONE was blown in two. The latter source said to be from a reliable source in the Ministry of Marine and it was remarked that it is the last of Italy's 10,000 ton cruisers.

*A new untried contact states that according to the Executive Officer of the Cruiser TRAMING that vessel cannot fire full salvoes and cannot run at high speeds because of excessive vibration. Efforts to rectify have been unsuccessful.

*Rating "B" - The Cruiser BOLLEONE reported sunk near Messina. Mast can be seen sticking out of water.

N.A. COMMENT: That BOLLEONE has been sunk I believe can be accepted as reports to this effect come in from all directions, although not from official sources.

918-100

*Rating "B" - The battleship VITTORIO VENETO was reported ready at Naples on 31 August.

109-800

*Rating "B" - The Italian peasants are hiding their grain for fear of the Government requisitioning it.

*List of these items reported by Despatch.

- 5 -

~~CONFIDENTIAL~~

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DECLASSIFIED

E.O. 11652, Rev. 8/29 and 6/25 or 6/29

ORD Letter, May 4, 1975

By SLR

Date MAY 22 1973

~~CONFIDENTIAL~~

(b) Germany:

7/330-41

808

Rating "B" - The Duke of Leuchtenberg, nephew of the Queen, President of the Russian Colony, recently returned from Berlin, has prevented the formation of a White Russian Legion. Formerly he was rather pro-German but he no longer believes in a German victory. He claims that Russia has been able to organize her defense thanks to assistance from some officers of the Imperial Army (there are 70 of them). He mentions Szaposznikoff and says that Timoshenko is not Bolshevik. A religious order has had the same information. The Duke believes that the Reichswehr will soon take over power in Germany and that it will also be the Army that will overthrow the regime in Italy. In this case, the Prince of Piedmont would become king. The Germans told him that the first month of the war in Russia cost them 1,000,000 men. He believes that war against Turkey will begin at the end of September.

808 - 300

* Rating "B" - Many German troops have left for Africa recently. They leave by plane from Lecce for Bengasi.

N.A. COMMENT: It is apparent that German troops are moving through Italy into North Africa, but it is not felt that these are new forces of any magnitude, but replacements.

808-100

Rating "B" - Up to the present time no reports that the Italians have sold ships to the Germans have been received, but it is certain that there are German officers and sailors on the Italian ships, except the submarines.

N.A. COMMENT: German Naval junior officers and enlisted men have been seen in Rome in increasing numbers.

1008

Rating "B" - Reported from several good sources: The Germans are evacuating the civilian population of Mentona. 10,000 wealthy Hungarians are to be sent to Merano, in northern Italy.

N.A. COMMENT: From French Naval source comes information that wealthy German families are also settling in Southern France in considerable numbers.

* Most of the items reported by despatch.

- 6 -

~~CONFIDENTIAL~~ A L

RECEIVED

R. O. 11892, Sec. 215 and 217 or (11)
OSD Annex, May, 5, 1972

By SLR

Date MAY 22 1972

~~CONFIDENTIAL~~

T/330-41

MICROFILM US:

409-800

Rating "B" - Sheepskins being requisitioned in Italy are to be shipped to Germany for use as winter clothing. Italian winter clothing is to be lined with newspapers.

104-400

*Rating "B" - The scout train preceding the Prince of Piedmont's Royal Train on a tour through Calabria was derailed.

* 5000 Sicilian functionaries have recently been removed from Sicily.

N.A. COMMENT: As previously reported Sicilian born functionaries in Sicily are all being sent to the Italian peninsula, with their families, because of their known pro-British tendencies, and are being replaced by similar functionaries from Italy proper

*Gist of these items reported by Despatch.

- 7 -

~~C~~

~~CONFIDENTIAL~~

REDACTED

E. O. 11652, Sec. 5(a) and 5(d) or (g)

OSD letter, May, 4, 1972

By SLR

Date MAY 22 1973

OFFICE OF THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

OCT 15 1941

~~CONFIDENTIAL~~ INTELLIGENCE REPORT

Serial **344-41** Monograph Index Guide No. **405-177** **110-6000**
(Start here when making report, I. I. 50-1242, 2-43)
(To correspond with MONOGRAPH given in Index Guide)
(Make separate report for each month file)

From **T** at **Rome, Italy** Date **14 Sept. 1941** 19__

Reference _____
(Directive, correspondence, previous related report, etc. if applicable)

Source **CONTACTS** Evaluation **Indicated** **SPACE**
(As to all personal contacts, publications, press, information with identify)
(As to all other contacts, publications, press, information with identify)

Subject **ITALY** **NAVY** **OPERATIONS.**
(Check proper box)
(Main title as per index guide)
(Subtitle)
(Make separate report for each title)

NOTE:—State exact nature of report, containing substance succinctly stated, include important facts, names, places, dates, etc.

ITALY WAR NEWS

OPERATIONS

- (1) Cruiser DUGA D'AOSTA torpedoed twice about 4 August. Able to make port with heavy list and down by stern. This type well protected against torpedoes.
- (2) VITTORIO VENETO and LITTORIO in Naples 11 Sept. Both camouflaged. One has cargo ship alongside other surrounded by torpedo nets. There 10 days.
- (3) IMPERO and ROMA to be between 42 and 45 thousand tons. CAUVOUR is again floating. Keel sprung and bulkheads buckled. Raised by building cement blocks to cover damaged parts of hull.
- (4) Italy has some new MAS boats which make 60 knots.
- (5) Italy running shuttle submarine service to North Africa carrying munitions. Crews overworked and submarines in bad state of repair. Short of submarines in Mediterranean; too many sent to Atlantic.
- (6) One out of 7 convoys going to Africa are being attacked by British.
- (7) British recently landed on Island of Ustica and took off political prisoners and guards.
- (8) Landing parties from British submarines in Sicily.
- (9) Since 14 July 28 convoys left Naples 5 of which attacked.
- (10) Italians no longer use Greek Coast route to Libya due scarcity tonnage.
- (11) 5 Italian submarines seem to attempt passage into Atlantic through Gibraltar by submerging under outgoing merchant ships.
- (12) 50 Italian submarines in Mediterranean ready for service but cannot operate due lack of oil. Due lack of oil whole fleet cannot operate together. Little oil coming from Roumania as Germans take it all. Italian submarines located where little shipping expected to pass.
- (13) Hitler demanded use Italian fleet to force Dardanelles and support Black Sea Front. Mussolini refused and admitted Navy not strong enough, and Fleet's absence from home would create unfavorable reaction among people.
- (14) Italians experimenting with new type A.A. gun 90 mm. 55 caliber. Capable shooting 15 to 18 rounds per minute and range 5,000 meters.
- (15) Torpedo war-hoods manufacturing plant in San Martino rocks. Bombproof.

CLASSIFIED
 BY: SLR Date: MAY 22 1973
 ODD letter, May 4 1972

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(a) Italy:

OPERATIONS

912-300

(1) *Rating "B" - The Italian Cruiser EMANUELE FILIBERTO DUCA D'AOSTA was torpedoed twice about 4 August near Palermo. One torpedo hit just under the Bridge, the other hit between turrets 3 and 4. The ship was able to make its way to port listing 25 degrees on one side and down by the stern. (Note: The cruisers of this type are well protected against torpedo attack and for a torpedo to fatally damage them they must be hit at four meters or below - Opinion of official Italian source).

912-100 907

(2) *Rating "B" - The Battleships VITTORIO VENETO and LITTORIO were both in Naples yesterday morning (11 Sept); one tied up south of the Molo del Littorio dock, the other north of Mole S. Vincenzo. They are both camouflaged and one has a cargo ship alongside and the other (at the Mole S. Vincenzo) is surrounded by torpedo nets. They have been there at least 10 days. In addition to these there are 7 destroyers, 8 submarines and various auxiliaries in Naples.

N.A. COMMENT - Above information considered very reliable.

(3)

912-100

*The IMPERO and ROMA are to be between 42 and 45 thousand tons. The CAVOUR is floating, but the keel is so much sprung that all the bulkheads are buckled. General Pugliese, the Jewish Naval Engineer who was recalled to service for this purpose, was the only engineer who believed the job of raising the CAVOUR could be done. It was done by building cement blocks to cover the damaged parts of the hull. Rating "B".

N.A. COMMENT - Believed Reliable.

(4)

912-900

Rating "B" - Italy has some new MAS boats which make 60 knots.

N.A. COMMENT - Unconfirmed as yet.

912-1000 907

(5) *Rating "B" - Source Italian Submarine Commander: A shuttle submarine service carrying munitions and supplies to North Africa has been operating. Crews of submarines are overworked and there have been cases where the Commanders have refused to leave their Base because of tired crews and needed machinery overhaul. The Navy is reported short of submarines in the Mediterranean having despatched too many into the Atlantic.

907

(6) Rating "B" - It is reported that only one out of 7 convoys going to Africa are being attacked by the British.

907

(7) Rating "B" - The British recently landed on the island of Ustica (North of Palermo) and took off all political prisoners and guards.

907

(8) Rating "C" - It is reported that a landing party of 40 men landed at two different places in Sicily. 20 to 25 of these have been rounded up. They were mostly Maltese and have the Sicilian authorities considerably worried.

*List of these items forwarded by despatch.

~~CONFIDENTIAL~~

907-700

7/3/44-41

(9) Rating "B" - Since 14 July 38 convoys have left Naples only 5 of which have been attacked. The convoys take a course from Naples south 40° West toward Sardinia. From Sardinia toward Pantelleria, but many times they head directly for Cape Bon, Tunisia, and some times they go straight to Tripoli.

907

(10) Rating "B" - Since tonnage is scarce the Italians no longer use the Greek Coast route to Libya. Sometimes convoys take 3g days to reach Libya and 5 to 9 days to return.

907-700

(11) *Rating "C" - A reliable contact told a member of the Embassy Staff that he had learned from the family of an Italian junior naval officer that the submarine to which he is attached, together with four other submarines, will soon leave and try to escape into the Atlantic. This junior officer has been on leave in Rome and left on 11 September to return to his ship at Spemia. He told his family that in a few days his ship would depart and left the impression that both his ship and the other four submarines in this division are newly constructed. Informant stated that the method used in going out of Gibraltar is to submerge under a merchant ship and go through the Straits directly under the ship.

907 608-1000

(12) *Rating "B" - Source Submarine Captain: There are fifty submarines in the Mediterranean ready for service, but due to lack of oil they cannot operate. This is correspondingly true of other ships of the Italian Navy which can go out in groups but the serious lack of oil precludes the fleet operating together. Very little oil arrives in Italy from Roumania, the Germans taking practically all of it. This same officer said he had spent a total of 150 days on patrol in the Atlantic. He stated that the Germans usually locate Italian submarines in areas where they do not expect much shipping to pass.

907

(13) *Rating "B" - Source Italian born in Russia interpreter at recent meeting between Hitler and Mussolini on Eastern Front: This source reports Hitler demanded Italy make preparations to use her fleet to force the Dardanelles to render support on the Black Sea front. Mussolini admitted his navy not strong enough to comply with this demand. He told Hitler that the Fleet's absence from home waters, leaving the coastal cities unprotected, would create an unfavorable reaction among the Italian people, and that he could not afford to risk his fleet in such an action.

910-1900

(14) Rating "C" - The Italians are experimenting with a new type A.A. gun 90 mm., 53 caliber. It is capable of shooting 15 to 18 rounds per minute. The gun has tested so well that the Germans are copying it. It is able to fire 1000 meters further than the German guns and can effectively shoot 5,000 meters.

608-700

(15) Rating "B" - The torpedo war-heads manufacturing plant is in the San Martino Rocks. There is such a thickness of rock above this plant that bombing would be to no avail. Near Torre di Vita there is a naval ammunition dump easily identified by 3 sheds.

*Gist of these items reported by Despatch.

~~CONFIDENTIAL~~

DECLASSIFIED

E. O. 11652, Sec. 1.5D and 1.5D) or (D)

GSD Letter, 26 Apr. 1972

By SLR Date: MAY 22 1973

ARMY OPERATIONS

(1)

603-300

Rating "B" - Reported that the Anti-aircraft defenses of La Spezia are very weak, being under the direction of the Militia.

N.A. Comment - Believed that these defenses are no weaker than other in Italy. All are considered weak and ineffective compared to the British and German A.A. batteries.

803

(2) *Rating "B" - The headquarters of the German General Staff in Naples is located in the Hotel Londra, now called the Ambasciatori. This hotel is located directly inshore from the Molo Luigi Ranza near the docks.

806

(3) Rating "B" - It is reported by a reliable German contact that there was a meeting recently between the Italian and German military leaders (not chiefs of staff) to iron out details which came up as a result of the Hitler-Mussolini meeting on the Eastern Front.

(4) Rating "B" - There are said to be 130,000 Italian troops on the Russian front. From 80,000 to 1,000,000 men are to be sent shortly.

N.A. Comment - Reports as to number Italian troops in Russia and numbers to actually be sent are conflicting.

(5) Rating "B" - A journalist from Hungary reports that the Hungarians detect the Germans. There are now (20 Sept. 1941) 30,000 Hungarians on the Russian front. As a result of Horthy's visit to Hitler they will have to send 100,000 more men. Brauchitsch is said to be in Bulgaria preparing the Turkish campaign.

N.A. Comment - The members of the Hungarian Legation at Rome are strongly anti-German as are the other Hungarian Nationals in Italy.

(6) Rating "B" - From a reliable German source it is reported that the Germans plan to take control of Leningrad by the 25th of September. They expect to reach the Don before winter sets in and also expect to launch a strong offensive from the Smolenak area towards Moscow. For the winter their line will be Leningrad-Moscow and the Don. (The Embassy sent a message on this item). This same contact also reports that as soon as the United States moves or intervenes the Germans will move into Portugal.

N.A. Comment: Reports as to when and why the Germans will move into Portugal are conflicting especially now that the Russian campaign is proving so difficult and war with Turkey threatens. However, it is believed that Portugal would be seized if the United States or Great Britain occupies the Azores or Cape Verde Islands.

804-200

(7)

*Rating "C" - (Source uncertain) - It is reported that the Italians are again working on the Brenner fortifications.

*Gist of these items reported by despatch.

DECLASSIFIED

E. O. 11652, Sec. 1.01 and 1.04

GSD Policy, May 4, 1972

By SLJ

Date: 08/29/1977