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Folder # 12

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PSF: OFFICE OF STRATEGIC SERVICES

1942

Donovan Report

No. 12

May 29 to June 8

No. 553

May 29, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

I am sending you herewith a group of photographs taken in Berlin, together with the manuscript regarding them. You will note that the description is indicated on the back of each picture.

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TO PHOTOGRAPH COLLECTION

DESCRIPTION (Furnish last name of sender and  
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45 Photos of wartime Berlin  
1 Photo of Dr. Fritz Hippler

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### BERLIN UNDER THE MAGIC HOOD

For months Berlin has been busy camouflaging various streets, squares, parks and lakes against view from the air by enemy fliers. We have to admit that the Germans are champions in the art of deception.

The beginning was made by the East-West-Axis - the broad main passage which cuts through Berlin from the East to the West, almost as the crow flies, and which has been turned into an imposing parade-ground by Hitler. It starts at the Brandenburger Tor touches the "Siegessaule" crosses the "Grosser Stern", by-passes the Tiergarten-Station and the Technische Hochschule, the "Deutsche Oper" and the Lietzensee and arrives at the former Reichskanzlerplatz, which is now called Adolf-Hitler-Square; here it makes a slight left turn and runs into the old "Herstrasse" which, outside of the city, is connected with the "Autobahnen", the network of new automobile highways. From the Brandenburger Tor to the Technische Hochschule in Charlottenburg the East-West-Axis is now covered with giant colored nets, under which the traffic is carried through quite normally, without being visible from the air. Furthermore, some parts of the road that are not covered by the network, are painted in a greenish color so that even in a full moon

you can not discern anything of the smooth gleaming asphalt underneath. The Siegestaule (Victory Pillar), parts of which were gilded, has also been covered with a dull coating; besides, it will be camouflaged in the near future with giant painted network, simulating a landscape. Thus, seen from a plane, the Siegestaule has disappeared; but an imitation of it will be set up somewhere else, gilded as the real Siegestaule was before, to make the British and American pilots lose their bearings.

The Lietzensee and the park surrounding the Lietzen lake have also "vanished" from the point of view of a pilot. Four stakes have been driven into the lake which rise about 3 yards above the surface; large nets have been spread over these stakes which are decorated, according to the time of the year, with grass, foliage or flowers, thus simulating a meadow or gardens. In a similar way a "road" over the Lietzensee has been faked; near it, it is true, there is a panel warning: "Caution! You risk your life if you walk on this road!" The weak network, the painted canvas and the thin woodwork would not be able to support the weight of a man, who would risk walking on this strange road! On the Lietzen lake itself, and in the park, fake houses have been built, while special care was taken to make the roofs look natural to deceive pilots.

On the Adolf Hitler-Square which lies where the East-West-Axis runs into the Heerstrasse, a few wooden walls have

also been erected, with red roofs stretching from one to the other, so that it is impossible to recognize this square from the air.

In the neighborhood are the old exhibition premises with radio tower. Here nothing was left without camouflage. The exhibition halls nearest to the radio tower were painted over with tree tops; straight across a "road" is marked by painted canvas. The exhibition pavillons farther removed from the radio tower have either been turned, through a simulated second floor, into the semblance of ordinary houses, or they are also covered with painted network, so that fliers would take the whole thing for open land, ordinary houses and hills. Whoever sees this strange transformation of an entire district for the first time is flabbergasted; it gives the impression of a gigantic Hollywood scenery. Nothing but the actors and actresses are missing.

Frank Spear

Photos 28 to 34.

I COME STRAIGHT FROM BERLIN!

One of our collaborators had the opportunity to stay in Berlin for a fortnight, toward the end of April. He knows Germany very well and here gives his impressions and observations.

The Berlin of today is submerged in a haze of rumors running wild. Every man or woman knows something from an "authoritative source" and actually knows nothing. A fever of "news" has got hold of the German capital, Berliners are vacillating between optimism and pessimism, according to their individual character or their mood. The optimists talk of the "slow disintegration of the British Empire", of the "giant American bluff", of the general "impotence of the democracies" to catch up with the "young dynamic nations'" organization, their will to sacrifice, and their courage. These are the well-known arguments of the Propaganda Ministry, which day after day and in ever new forms are hammered into the brains of the German people by radio and press, so steadfastly, that every Hitler-wise German can reiterate them even in his sleep. The pessimists however, are the realists, who have seen the terrible sacrifices in blood caused by the Russian campaign with their own eyes, who have felt the near-starvation of the people in their own flesh, and who know exactly that the German war machine will not stop before

it has won an all-out victory and destroyed the world - or has been smashed by the enemy. My estimate of the number of those pessimists, or realists, in Berlin, based on extensive and thorough observations, is: at least 40% of the populace. This does not mean that those 40% have made up their mind against the government, or against Hitler; this kind of dissatisfied people does not amount, at the present time, to more than 20% of the population (and even less in country and small town districts). They are terrorized in a way that makes it impossible for them to voice their opinion before a larger circle of people, since Gestapo spies are omnipresent. The Nazi party is well aware of this frame of mind of the people and is afraid that, especially in a cosmopolitan city such as Berlin, this mood might get hold of 30%, 40%, 50% of the population or even more. That is why in almost all districts of Berlin "SS - Bunker" (Pillboxes manned by the Elite Guard) have been erected, which as a rule, are located in former stores, or in corner houses from which a large square or an important traffic lane can be machinegunned in case of emergency. The people was told that mere SS shelters were built in those houses, because the former SS barracks had been occupied by soldiers and the SS therefore had to look for new quarters. However, the people are perfectly well aware of how things stand, they know that a revolution, an insurrection against

the regime, or even a simple hunger demonstration would be smothered in blood. But there is also another side to the question: this new measure has brought it home also to those who were not ready to believe it that the highly praised German "Volksgemeinschaft" (People's Community) is only kept together by the terror of the Party and the Gestapo.

I talk of the undernourishment of the population and of the possibility (but hopelessness) of a hunger demonstration; and everybody will readily admit that 300 g of meat (weighed with the bones) per week are decidedly too little for a grown-up person. Add the fact that the supply of fat is positively insufficient, that the daily ration of skimmed milk is only one eighth of a liter, that the bread quality is deteriorating, that potatoes and vegetables are sometimes entirely lacking on the markets. The workers occupied in war industry, it is true, get an increase, generally their rations are doubled; but the drain on their strength is terrific, on the other hand. "By order of the Fuehrer" the workers of many plants have been working twelve hours daily for weeks, and a law is imminent to introduce this working day of 12 hours to all factories. Not all Germans, of course, are faring so badly, certainly not the ones who are "on the top", be it party or government.

There is in Berlin, for example, the well-known restaurant "Horcher". While everyone could dine there previously without much ado, you must now reserve your place by telephone - and you only get it reserved, if you are a big-wig known to the manager of the restaurant, or if the reservation is made by an official agency. At "Horcher's" you can get everything your heart desires - everything the people has to do without. This is National Socialism as interpreted by the bosses! To quote only one instance: there you can have as much poultry as you want, whereas you can get half-a-pound of chicken four times a year if you try to obtain it through the ordinary way of ration cards. The prices of this "plutocratic restaurant" (as it is called by the people) are correspondingly high: for one lunch with a bottle of wine you pay something around 75 Reichsmark! You have to compare this sum with what the ordinary German citizen pays for their lunches: from 80 Pfennig to 3 Reichsmark. After such a lunch, of course, you stay hungry. For meat, poultry, fat, vegetables and fruit are strictly rationed for the ordinary mortal in Germany, or rather not to be had at all!

What struck me first of all during my last visit to Berlin was the restrictions of newspapers. You see few newspaper vendors in the street, and they have only few papers to sell. The alleged cause is the paper shortage. It is impossible to say whether this is the real cause;

the flood of propaganda material steadily streaming into foreign countries has certainly not been reduced - neither in quantity nor in quality. It is true, however, that people often form queues in front of stationery stores to buy writing pads or envelopes; frequently these stores are "sold out" for days on end, so that fathers, mothers, wives cannot even send letters to their sons or husbands in the trenches. In the newspaper booths of the big stations I saw very few German papers; mostly foreign ones, though of these, too, only a few copies. They were the "Warschauer Kurier", the "Donauzeitung" of Belgrade, the Croatian "Neue Ordnung", the "Pariser Zeitung", the "Deutsche Zeitung in den Niederlanden" (Low Countries), the "Deutsche Zeitung in Norwegen" (Norway and the "Deutsche Zeitung im Ostland" (Eastern Provinces). In all these German language papers you can read about the forming of the New Europe as seen by German occupational authorities, commissioners, and party politicians. For the freedom-loving peoples of Holland, Norway, Belgium, France, Poland, and Serbia this is not a reading they enjoy. For they can see from those papers that their freedom and independence is disposed of dictatorially by a foreign and hated power. They are being thrust into a "new Europe" without anybody asking for their opinion - unless the answer of a traitor of the Quisling or Mussert type is considered representative for the people.

Rather frightened I stood, in Berlin, in front of certain big office-buildings which are serving the Organization of German Economy. I am thinking of the houses whose doors are decorated with boards carrying the longworded names of certain departments, announcing what kind of offices are located on that or that floor. At a five-storied building housing the "Fachgruppe Suesswaren-Industrie" (Department of Candy Industry) I noticed the following subdivisions: Permanent Cake Industry, Cocoa-and Chocolate Industry, Candy Industry, Powdered Ice and Powdered Ice Ligation Industry. The board at the door of the "Reichsstelle fuer Fische" (Reich Department for Fish) announces the following administrative offices: Supervisory Board, Reich Fish Publicity Department, Main Association of German Fishing Industries, Reich Division of Merchants Dealing in Fish and Fish Products, Consumers' Association for Whole Fish Preserves. In all parts of Berlin entire city blocks were and still are requisitioned to house such organizations. The former tenants are simply assigned to other apartments, mainly apartments in which previously Jews were living who in the meantime were deported to Poland. In the face of the inflation of administrative offices, the question arises spontaneously: How many organizations, how many city blocks and palaces will be necessary when the whole of Europe will be administered from this one center - as is Hitler's dearest wish?

Opinions on neutral countries are definitely queer, because Germany has been locked off hermetically from the rest of the world for years. Thus a school teacher once said to me: "It is simply criminal that people in Switzerland, in Sweden and especially in Portugal get such large quantities of food, while the rest of Europe has to content itself with the tiniest rations!" And then he explained to me in detail that Europe was a unit, bound together by destiny, "against the British and American plutocrats and exploiters"; so, he concluded, nobody should leave his neighbor in the lurch, none of them should fare better than the other. I heard exactly the same catch-word-story from the owner of a cigar-store later on, who went even farther: what he considered necessary was a common "European ration card system" for all, for only thus could the "shameful dependency" of the neutrals on the good will, on the favor or disfavor of England and America be stopped. Eagerly he talked of "Hitler's divine mission", the man who was now about to create a new world order. The good man, who can sell his cigars only in very small doses, was extremely astonished to hear from me that Hitler as Germany's Fuehrer might do whatever he liked inside Germany, as far as the German people would stand for it; but that we foreigners were by no means eager and did not intend to live under his rule. We did not like the "Master Race" point of view, I confided to him, for we did not see ourselves as second-rate human beings. My storekeeper was definitely astonished to hear

me talk like that, he was almost unable to believe that there still existed men who dared doubt the Fuehrer's "divine mission" . . .

There are, of course, other voices to be heard, which are speaking with less confidence of the future and with less optimism. I mentioned that already. They are the voices of the families who mourn for one or more of their members who fell victim to the lunacy of the Hitler war. These people have frequently developed opinions of their own, which do not coincide with the official ones, because of the vicissitudes of their personal lives. They measure the sufferings of the conquered peoples, of the war-torn countries by their own sufferings; they have realized that although the powerful warlords of their country have made Might go before Right, there is yet something like an eternal Right. Unfortunately these people are still in the minority and, besides, are daily threatened by the most brutal terror methods of the Nazi gang.

As a rule, the German people take it for granted that all of Europe should be on their side, should fight for them. Who refuses to do so, is considered to be in "British bondage", or "anti-European"; he simply has failed to feel the pulse of time. The average German is perfectly unable to understand the attitude of Switzerland, of Sweden and of Turkey toward the "Crusade against Bolshevism". These average Germans simply cannot grasp the fact, that those countries refuse to

send legionaries against Russia; for them, this is not strict neutrality - but simply a way of shirking one's duty, of avoiding the dangers of a "hard time" for the sake of one's own comfort or one's cowardice; the present "hard time" is, they conclude, after all only made for a brave and dynamic master race - such as they held themselves to be. The propaganda has actually succeeded in making the average German believe, if only theoretically, that he is a member of a "nation of heroes".

The occupation of various European countries by German troops has caused quite a few changes in the picture of Berlin. For instance, the big travelling agencies of France, Norway, Holland, and Yugoslavia are closed. On the other hand, the "Government General" (that is Poland) has opened a new stylish travelling bureau in the street "Unter den Linden", while Rumanian travelling agencies have expanded their premises. Since it is quite out of the question, at the present time, for tourists to make pleasure trips to either one of these countries, the purpose of those travelling bureaus obviously is only one of propaganda for the German people. The Soviet Russian travelling office "Intourist" was, right after the start of the Russian campaign, searched and pillaged. Today its windows are used for an "antibolshevist display" and the store itself houses an "anti-communist bookshop".

British air raids on Berlin have stopped months ago, as is well-known, and Berliners accordingly again spend their

neights without disturbance. Civilian life in the capital has not suffered any disruption in this respect, during recent months. If one knows, from personal experience, the amount of disturbances of the economic life caused by air raid alarms, the effect the sleepless nights and the destroyed houses had on the morale of the inhabitants of Berlin, it is simply unimaginable why the air raids on Berlin were stopped, why they were not stepped up. The men and women of Berlin, undernourished and dissatisfied as they are, can by no means take it as well as did the men and women of London. Even now people are talking with a shiver of their experiences during the great and last raid in 1941, which left a tremendous impression. Then the "Building Squad Speer" was busy for weeks repairing the damage done in a single night, as far as it could be repaired at all! Now that weather conditions have improved, Berliners are expecting new raids by the R.A.F. and, as far as I could ascertain by talking to people, they are all very much afraid of them. An announcement of the B.B.C. to this effect was received rather low-heartedly by the Berlin audience. For the broadcasts from London are being widely listened to, in spite of the long prison penalties; for they are the only means to break through the high wall of censorship erected around the German people, to get in touch with the outside world. One of my acquaintances was also able to listen to the Boston station often. The broadcasts came through rather clearly.

It is only natural that the Nazi government tries to use pressure against these secret listeners. Thus recently a bright red slip was sent to all persons possessing a radio set warning them to attach it to their radios. It reads: "Remember! Listening in to foreign broadcasts is a crime against the national security of our people. It is punished, by order of the Fuehrer, with long terms of penitentiary!" An "order of the Fuehrer" (of which the Fuehrer is sometimes unaware himself, since it is simply given out by the Gestapo) is thus enough to send people to jail or to death, - and this happened very frequently in the past months. There could be no better illustration of the German people's state of absolute outlawry, of the slave-like condition imposed upon them by Hitler and the Nazis.

In order to keep British planes off Berlin, the aspect of the capital has been changed by sophisticated camouflage; thus the pilots are supposed to be puzzled and made helpless. Wooden houses were built in various parks, the small lakes or ponds became invisible as they were covered with painted canvas representing a meadow, a path and roofs. On the Adolf-Hitler-Square several wooden houses were erected so as to make it indiscernible when seen from a plane. The large exhibition halls were also covered with gigantic painted nets, decorated in part with fresh leaves, to create the impression of a forest region.

Preparations for the coming spring offensive have given rise, in Berlin, as everywhere else on the globe, to the most contradictory rumors as to the goal and the size of the operations planned. That the "great blow" will be directed first of all against the Soviet Union is taken for granted. Similarly, everybody is convinced that the German war machine, which was so strongly reinforced during recent months, will again win great new successes in spite of the support given to Russia by Britain and America. For everybody could watch some part of the powerful preparations which were made all over Germany and in the occupied countries, both in the military and in the economic sphere. There is no doubt that Germany will risk all, will neglect no means to drive the Russians out of Europe and to reach the oil fields of Baku simultaneously. Hitler will shun no sacrifice, that much is certain, and he will pay for his advance with a stream of blood. Will he, however, at the same time order the offensive against Egypt, in order to advance against Suez? Does he plan, at the same time, an operation against the oil fields of Iraq, against Syria, Palestine and Iran? To these question marks concerning the Middle East has to be added another one referring to the fate of the North. Is Hitler, who now concentrates great masses of troops in Norway, going to treat Sweden's declaration of neutrality like another scrap of paper, in order to disrupt the communication between Great Britain and Russia across the Arctic Sea? All these are questions which worry everybody, because nobody can

give an answer to them. However, I got one rather pointed hint in Berlin in this respect: I can tell my readers that the new "soldier's dictionary" for the Turkish language is already printed and will be distributed in the near future to certain German divisions concentrated in Bulgaria. While I write this down the news of the new dictionary to be distributed is still kept as a military secret in Berlin and I came to know of it by pure accident. This German-Turkish soldier's dictionary which, according to its title, is destined for "frontline use" has been published, at the order of the O.K.W. (German Army High Command), by the well-known Berlin publishers E. S. Mittler & Co., and printed by Dr. Guentz in Dresden. According to its table of contents it gives the following information to German soldiers: The Turkish alphabet; Pronunciation and Stressing; Idioms; The most important words in alphabetical order; Figures, measurements, weights and coins. The preface says: "War has shown that the German soldier is able to make himself understood with a very small vocabulary. Based on these experiences, this dictionary compiles the most important expressions and words for frontline use. "For frontline use"- in Turkey! The near future will give the answer to this riddle.

No. 554

May 28, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

The following is a copy of a special report that we have just received through a source in Switzerland. It is dated April 15, 1942.

The German High Command is completing experiments with a new kind of war gas in the Lueneburg-Heath, south of Hamburg. A German military scientist told me that the High Command would make use of the gas only "if all else fails", and Germany is threatened by a Russian invasion. And it would be used, he said, only when the enemy is very near, dangerously near the borders of Germany, itself.

He said further that the gas complies with the requirements of International Law and described it as "humane"; for, he said, it does not kill or permanently injure, but deadens senses and paralyzes muscles, allowing German troops to take enemy troops prisoner. If the Summer campaign fails to crush the Red Army, he said, its application would be more than justified "to spare German women and children the horrors of a Bolshevik invasion".

The experiments with the gas are being made at present on the inmates of insane asylums in the Lueneburg-Heath, which is cordoned off and guarded by Himmler's S.S. Blackguard Troops. The fact that the Lueneburg-Heath is cordoned off and guarded was told me also by several people coming from Hamburg and Hanover.

That is one preparation the Germans have been making for the Summer campaign. Another is this: The Nazis have confiscated more than 100 large buildings inside Germany in order to convert them into improvised hospitals, to take care of the new expected crop of wounded maimed for the East. In Berlin one of the buildings thus confiscated is "Wertheim" (now "Awag"), Berlin's biggest department store, which covers a whole oversized city block in central Berlin. Last month, workers of the "Baustab Speer" (the "building staff" of Professor Albert Speer, Hitler's new construction dictator, the follower of the late Dr. Todt) were seen measuring the inside of the enormous store, apparently planning to knock out some of the walls and erect new partitions. Other places are public schools. In all cases confiscations represent insignificant losses to their owners or administrators, for the vast department store is now empty but for a very little trash and the schools have almost all been emptied as children were sent to eastern Germany to be spared air-raids.

An interesting feature is the location of the buildings chosen for confiscation. Almost all are in the immediate neighborhood of important bombing targets. Looking out the windows of the train in the railway station in Frankfurt on Main, you can count six buildings painted with big red crosses on white circles indicating they are improvised hospitals. In Berlin "Wertheim" is very well chosen. It is less than 100 yards from the big Potsdamer station; and it is lodged between Hitler's own chancellory on one side and Goering's enormous air ministry on the other. On sidings in the Potsdamer and Stettiner stations in Berlin, long empty trains of hospital coaches are constantly parked (each coach brightly marked with the red cross). The tactic is obviously to discourage the British from dropping bombs on those military targets or if the British, hard-headed as they are, drop their bombs anyhow, it makes good international propaganda -- brutal attacks on helpless wounded soldiers in clearly marked hospitals or coaches.

However, the main reason for the setting up of the hospitals is, that they are necessary. A Swiss doctor just returned from the Eastern front told me hospitals, real and improvised, are crowded to overflowing in Poland and occupied Russia.

Thoroughly disgusted with his experience in Polish hospitals, this doctor told me, he went to the East to serve as a physician, but actually became a butcher. All he did, all

winter long, he said, was hack off thousands of frozen limbs. These Swiss volunteer physicians are made to take an oath, that they will not mention their experiences after they have left the German service. The Swiss censors, obviously, will not allow them even to be mentioned in a press report. He also told of cases (this he did not witness, but got by hearsay in his hospital in Poland) where severely wounded were laid in tiers in sealed, abandoned churches and the gas was turned on to put them out of their misery.

In France, the Germans have built a net-work of excellent roads, so that they can move quickly from one spot to another. The three main points of concentration for the German troops in France are Abbeville, Lillebonne and Caen. From here they can speed to all endangered points.

The French coast is magnificently protected. The landscape has been altered beyond recognition in many places, by chopping down whole forests and erecting new ones where they did not exist before (by means of miles of camouflage netting, false cardboard towns, etc.).

The most protected point is between Cherbourg and the mouth of the Seine, where a defence zone 50 kilometers deep has been constructed. The invasion will be anything but a pushover, but its chances for success are greater now than they have ever

-5-

been, and probably greater than they will ever again be, if  
German decisively whips Russia this year.

No. 555

May 28, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

From our representative in Istanbul we have received the following quotation taken from a letter of the French minister at Bucharest to his colleague in Turkey:

"As a result of the past winter the economic condition in Rumania is appreciably worse. Spring came late and sowing was belated. It is doubtful whether the handicap can be sufficiently overcome to produce enough for both the German demands and the needs of the Rumanian population and army. Life is very expensive and the few available things are at prices fabulous for Rumania. You may imagine how this price increase helps further lower morality of public servants. There is a widespread feeling of discontent which can only be privately expressed. Most people and the Army are far from enthusiastic. This does not necessarily mean that the Rumanians won't fight gallantly as they have up to now. Russia is still enemy number one for upper and middle classes, but if those people fear Russia most nevertheless patriotism is mainly anti-Hungarian. Many people fear that their best troops are being wasted on the

Eastern front, and the Magyars have cleverly avoided real fighting in Russia. This feeling was so strong that Mihai Antonescu had to make a strong speech stating Rumania's old claims. This irritated Berlin. Great uneasiness regarding Nazi plans for Transylvania exists among government circles too deeply entangled with the Axis to withdraw. If the Russians were clever propagandists and were not blinded by old imperialistic policy, there would be a clever act to play. Leading Rumanians admit this. Russia should state that it has no further claims on Bukovina, Bessarabia, that it considers the Vienna Treaty of 1940 completely annulled on the condition that Rumania ceases to fight and help Hitler. This would have to be backed by America in whom there is the strongest confidence. A huge effect on Rumanian opinion would result from these proposals, spread by radio."

No. 556

May 28, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

From a Czechoslovakian source I have received the following information on the new German poison gas:

"In the year of 1935-36 the Leuna Chemische Werke were to have manufactured a new type of poison gas, called "Nerven Gas" (Nerve Gas) or "Blau Gas" (Blue Gas); the name "Blau Gas", however, is used more frequently, probably in the effort to keep the nature of the gas a secret. The name "Nerven Gas" is mostly used for internal purposes.

"'Blau Gas' is completely different from "Blau Kreuz" Gas used in the last war.

"The gas was to have been manufactured as a by-product during the production of synthetic benzin, then liquefied by a catalysator and mixed together with another chemical.

"'Blau Gas' is to be a liquid, something similar to etheric oil, colorless and odorless and is kept in 60 kilo glass bombs. It was to have been tried out for the first time in the military camp of Hannover. Being sprayed it forms a fine mist, practically invisible, from faraway appearing as light blue, just as the air over the horizon; because of this

it was to have been called "Blue Gas".

"The gas causes an immediate paralysis of the nerves, lasting about two hours (as the effects of an anaesthetic); sudden paleness ranging with a light blue comes over an affected person, his eyes bulge and the whole body remains paralyzed. After awakening such a person has a headache, vomits and for a long time thereafter his nerves remain slightly affected.

"This gas is to be used in the summer months; best effects are obtained in the mornings up to 10 a.m. and in the afternoons after 3 p.m. During high temperatures (at noon), in winter or in damp weather the effects are very small.

"The gas penetrates into the body not only by inhaling, but also through pores in the skin.

"Normally impregnated masks and rubber suits are a very slight protection against this gas and after being subjected to several attacks with this gas offer no protection at all.

"I. G. Farben is to be manufacturing as a protection against this gas a 40 percent emulsion of "methylokrylester".

"This chemical is to be used for glueing metal to wood, also during the manufacture of airplane bodies replacing glue, as well as in the impregnation process.

"The Germans used to sell it to us in very small quantities and very expensively. A certain chemist by the name

of Kalla discovered the method and we started to manufacture it ourselves in Czechoslovakia, however, it was too late (Munich).

"The Source of Information:

"Informant: Vojtech Weil, Jewish emigrant in New York, chemical engineer, formerly a chemist with the firm of Bata, according to hearsay a first class expert. In the autumn of 1937 Weil was to have been in Leverkusen (near Kolin a/R, Germany) dealing with the German factory of the concern of I. G. Farben in regard to impregnation of rubber. There he made the acquaintance of the head of the department for the manufacture of accessories necessary in the rubber industry, by the name of Dr. Kuehne, who most probably was working on the manufacture of protective garments against this gas.

"Dr. Kuehne once during a private conversation was to have disclosed the above mentioned information.

"The informant was reminded of this incident by the present active interest in poison gases used by the Germans."

No. 557

May 28, 1942

6:00

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

You will recall the effort we have been making to establish a good intelligence system in the Far East. We have developed a project concerning which I have written the Secretary of State. It is coming up for discussion within the next few days, and in the event it should be brought to your attention, I thought you should it fully before you. I also am attaching a copy of my letter to the Secretary of State.

No. 558

May 29, 1942

8:30 P. M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is taken from a report of a man who has very recently returned from Berlin.

A rapid glance into the German press shows that in Germany the years of history are no longer counted from the Birth of Christ, but from the start of the "new era". This fact proves better than any discussion that the extirpation of Christianity is being carried out systematically by certain German circles. The Christian religion is to be replaced gradually by "Gottgläubigkeit" (belief in God). However, this name is misleading, because it does not mean belief in God in our traditional sense. The party fanatics, indeed, openly proclaimed that national socialist conception is absolutely incompatible with Christian faith! Thus, Reichsleiter Bormann, who succeeded Rudolf Hess as deputy of the Fuehrer, openly and unmistakably declared: "Our national socialist conception is by far superior to the conceptions of Christianity which, in their essential points, stem from Judaism. This is reason enough to get rid of Christianity." It is well known that Bormann belongs to the clique of Himmler, the bloodthirsty chief of the Gestapo.

But how does the people, 95 or even 98 % of whom have been said to have voted once for the Hitler regime, react to this new religious conviction? We received an answer to this question on a Sunday when we found the Berlin Catholic cathedral, the Hedwigskirche, filled to the last seat! Many military men were present. The sermon of the priest contained the following sentence: "...and the demon is telling you: Follow me and I shall give you mastery over the whole world. But I am telling you: Don't listen to him, listen only to God, because only the mastery which God gives us is lasting and enduring." Isn't this a flaming accusation of Hitler who ruthlessly allied himself with the devil to force the world under his tyranny? The following sentence is also a sharp protest against the megalomania of the so-called Fuehrer: "The only genius in the world is Christ, there will be nobody after him on earth" ! We do not know whether this priest had a presentiment of the terrible end of Hitler's mad war when he pronounced these mournful words: "And whenever this world should have lost its meaning, we shall stretch out our hands to God and cry out: Not our, but Thy will be done! Because He alone is the leader for all times!" Undoubtedly, the "god-believing" (Gottglaebigen) gentlemen did not like these and other sentences of the sermon at all; the people who were present, however, listened, deeply stirred and

full of emotion, to the words of the priest. As we witnessed the same situation the following Sunday in an Evangelic church and again in another Catholic church, we have reason to believe that similar phenomena occur also in the rest of the churches in the German capital. However, this will probably not induce the government or the party to change their policy. The role of "first bishop" of Norway which Mr. Quisling at present has adopted in order to remove and imprison intractable bishops and clergymen, can scarcely be considered a sign of relaxation in the religious struggle.

The food situation of the German people has further deteriorated since the beginning of April. The average consumer receives a weekly bread ration of 2000 grams, that is 250 grams less than before; but since, in order to get flour, he has to deliver 400 grams of bread "tickets", that means a further reduction of the bread ration by 400 grams. As to the quality of the bread, rye and wheat must from now on be milled completely (in the first year of the war it was compulsory to mill the grain up to 80%); furthermore, the bread must consist of a certain mixture of wheat and rye flour, with the addition of a small quantity of potato flour used as a filler. The monthly ration of coffee-ersatz has been reduced from 400 to 310 grams; and beer will become still thinner. The weekly meat ration of the average consumer amounts now to 300 grams (up to

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now it was 400 grams, and some months ago, even 500 grams). The weekly fat ration (oil, butter, margarine, fat and bacon) of 270 grams has been reduced to 205 grams. With a people who, at every occasion, boast of their "organization" and of "national discipline", the flourishing of the black market should, in fact, not be taken for granted. Real coffee is sold for up to 80 Mark the pound, real tea for from 100 to 120 Marks; butter costs only up to 60 Mark the pound. In a well known "Weinstube" (wine restaurant) a bottle of Bordeaux wine, which normally is about 6 Mark worth, is being sold for 55 Mark - and, of course, only to old and trustworthy customers. The national socialist "Musterstaat" (model state) has, indeed, itself set the bad example. The enormous stocks of coffee, tea and chocolate powder which for years have been stored in the Hamburg free port or have been brought there as loot from Holland, are being distributed totally unrationed, but only among those Germans who have "connections", that is good and rich friends or relatives in neutral countries who are willing to send them "Liebesgabenpakete" (gift packages) for which they have to pay fantastic prices - in foreign exchange, of course. Thus, the "just" and "social-minded" Hitler-state has divided its own citizens in two categories, namely, those who have "connections" and those who have none. The privileged who have connections with rich people abroad possess a well

Keep pace with the demand for the various artificial vitamins.

camouflaged banking account in a neutral country, are in a position to receive "legally" additional rations from the Hamburg free port; for these goods they pay - through the intermediary of good friends abroad - fantastical charges in foreign exchange to the State. The rest of the citizens, who are not so happy, but who nevertheless sometimes want to satisfy some special desire depend on the illegal black market, the resort to which is forbidden and punishable. This is the morale of the national and social Third Reich!

The authorities are well aware that the health of the population is bound to suffer as a result of the lack of nourishing food. The decreasing resistance of the human body is the most fertile soil for all kinds of diseases which manifest themselves today or may break out years later. Therefore, special vitamin-pills are being distributed daily among children, workers and employees in schools, factories, plants and even offices. In the beginning, people threw them in the waste paper basket, with a sarcastic smile; they thought that they were nothing but "artificial stuff", anyway. But the food scarcity and the bad quality of many food products, by and by, converted almost all of those "pill-enemies" to the following opinion: "Even if those pills are no good, they cannot do any harm either." Today almost every German takes his "daily vitamin-pill" and the pharmaceutical industry can hardly keep pace with the demand for the various artificial vitamins.

Since the radio waves cannot be "censored" and since the German counter-action by "Stoerungssender" (jamming stations) is not efficient enough, Germans are forbidden to listen to enemy stations. Nevertheless the information given by the London radio goes around town in Berlin. Therefore, drastic measures have now been taken. Recently, "radio-criminals" have been brought to trial several times before special courts and sometimes even were sentenced to death. This, of course, does not prevent the German anti-fascists from operating secret radio stations in Germany herself. Such a secret station was functioning for several months despite all the efforts of the Gestapo to locate it. It always started with the words "Here speaks the chief" and then was telling the most astonishing things and intimate details of the life of big and little party shots, which, of course, infuriated the circles of the "Volkfuehrung" (people's leadership). First they thought that the station was somewhere abroad - they even suspected Switzerland or Sweden. But the recency of their information, which often dealt with events of the same evening, spoke against this theory. Once the listeners were even invited to go immediately to a certain house where Dr. Goebbels was just enjoying his latest love affair. Finally, the station was located in the center of Berlin, in the noisy Friedrichstrasse. When the two men who operated the secret station saw themselves discovered and surrounded

by the Gestapo bloodhounds, they are said to have jumped out of the window and killed themselves. In any case, they knew that otherwise they would have been tortured to death by the henchmen of Herr Himmler.

The fact that Fritz Sauckel, Reichsstatthalter and Gauleiter of Thuringia, has been nominated to the post of deputy general for labor distribution ("Generalbevollmaechtigt fuer den Arbeitseinsatz"), has drawn once more the attention to the foreigners working in Germany. The number of foreign labor in Germany is officially given as 2½ million, war prisoners not included. Up to now most of the foreign workers came voluntarily to Germany. But as more and more German workers are being called to the armed forces, German authorities have established compulsory labor service in the occupied territories, which means several hundreds of thousands of new hands pressed into the service of the German war industry. In this connection, Dr. Ley has coined the pretty slogan: "He who wants to win with us, has to toil with us!" This slogan applies to the oppressed Norwegians, Dutchmen, Belgians and Frenchmen, as well as to the vassals of the Third Reich, but it does not apply to the Poles. Among the foreign laborers, the Poles form the largest contingent, namely much more than 1 million men, war prisoners included; but financially and socially they are on the lowest level. The Poles receive, on principle, lower wages than the rest

of the foreigners and are, in part, subject to a special labor ruling: in case of sickness they are, on principle, not entitled to receive wages, salaries or relief. "The Pole", a German paper writes, "shall receive only the lowest compensation in his labor unit. The better paid jobs are everywhere to be reserved for the Germans". The Pole does not receive any family- or children-allowance either, nor any subsidy in case of death or childbirth or any gratification. The Pole should be glad - in the opinion of the Germans - to be allowed to live at all and to work in the service of the victor!" Posters in Berlin food stores announce that "it is not allowed to sell cake, wheat flour and wheat rolls to Jews and Poles." For the German master race the Pole is only a slave and the Polish intelligentsia is to be systematically exterminated, so that the German conquerors may in the future consider this country their property!

No. 559

May 29, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is the substance of an interesting letter which we have just received from France. The writer is a French Democratic Labor leader whom we believe to be reliable.

"1. The Economic Situation.

The economic situation borders on catastrophe. Considering all the known facts it must be said that there is very little chance that the available amount of food will continue at its present level, miserable thought that is. Two basic reasons account for this: the seizures made by German authorities, and - more significant - the refusal of the peasants to hand over their wheat.

" The Vichy government, as long as it has echoed its demagogic cry of "back to the earth," has carefully concealed this resistance of the peasants: now that resistance is denounced in official speeches, in the press and on the radio, and the appeals addressed to farmers are compounded of threats and supplications. Nothing could be better cal-

culated to discredit the regime than the task entrusted to the Legionnaires of controlling the distribution of wheat at its source and of punishing the recalcitrants.

"No punishments, as a matter of fact, are likely to be effective: the peasants have come to believe that money has no value since it can purchase nothing; moreover they realize that everything received by the government pays a heavy tribute to the Germans. When interest and patriotism thus conspire, they form a complex difficult to shake. The peasants as a result hide their wheat; and where they are not sure they can hide it successfully they reduce the area of cultivation. This reduction is particularly evident in the unoccupied zone. In the occupied zone there are two other expedients: the amount of seed sown is reduced to a minimum; and in the North and around Calais harvests have been burned.

"Even more than in agriculture, however, the German exploitation makes itself felt in industry. According to an article in the Jour (which had almost become a journal of opposition before it stopped appearing in April) industry works only for the Germans and not for local needs at all. Even work for the Germans, moreover, is likely to cease for lack of raw materials. What Lehideux, Minister of Production, has called the policy of "Industrial Concentration" will leave many unemployed; it is in fact nothing else than the closing

down of many factories because of material shortages. Lehideux has envisaged transporting workers and technicians into the country as farmers, and employing them on such public works as do not require raw materials!

"The program of public works to which the National Revolution has been committed, remains, moreover, on paper: To construct a few miles of the Trans-Saharan railroad, rails had to be taken from another road, abandoned for the purpose.

"An important fact is that the press in the unoccupied zone speaks quite freely of these things, and that the ministers responsible for the situation have been compelled to excuse themselves by pointing to the clauses of the Armistice and to the German demands.

"There is every evidence that an undercurrent of resistance runs through the country. Nevertheless the occupation authorities continue to produce. One finds in the Depeche of Toulouse announcement of airplane factories which are seeking skilled workers. One must presume that here raw materials are not lacking, though the peasants cannot find a nail or shovel. Interesting too, in the Depeche, which still carries the sub-title, Organe de la Democratie, are a number of small announcements offering to transform radio sets for short wave listening.

"2. Politics.

The Riom trial played an enormously important role

as a sort of testing ground for the policy of various groups. It created a new "Line of Demarcation" between the collaborators and those of contrary policies. The Gouvernement made a great mistake in finally providing its opponents with a forum for discussion! An interesting fact about the trial is that the Moscow radio, in its French language broadcasts, attacked the defendants, and said that the Popular Front was as much to blame as Petain and Darlan.

"Worth noting, also, is the evidence given by a reliable observer concerning the state of the French spirit at this time: "In the occupied zone they are not certain but that the free zone is and will remain totally distinct from the pseudo-France of Vichy; they even suspect that it will oppose Vichy with all its strength. It is sometimes whispered, besides, that the two governments of Petain and de Gaulle are not as far separated as appears: it is asked, both in the occupied and in the free zone, whether there is not a group in the entourage of the Marshal bound to de Gaulle; whether in particular, there are not certain members of Vichy's Deuxieme Bureau who are playing a role in the distribution of underground journals and are in the service of the Commandoes - whether they are not compelled to do these things in order to save the National Revolution by opening their arms to the prodigal sons of London. Conversely, one finds occasionally

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the hypothesis that the entourage of de Gaulle is divided into two groups - one Republican, and prepared to let the people of France decide their own fate; the other, out of fear of Bolshevism and Socialism, anxious to limit future possibilities by ties with the men of Vichy. But London in any case should not deceive itself on the main point: The immense majority of the French people are as hostile to Vichy as to the Germans. They would be near despair, they would go blindly into Communism, if the facts did not allow them to suppose some art of connivance between de Gaulle and the Marshal." They still attribute the disaster to the treason of generals and the activities of the fifth column, not to the Republican regime. The people, whether enlisted in parties or not, have been little affected; they remain Republican or Socialist, Communist or Conservative, and they will be found thus when they are again able to speak. It is remarkable that the Communist Party, which was in a fair way of enormous increases because of the persecutions it has suffered and of the Russian successes, has nevertheless won scarcely any ground, except among the Republican bourgeoisie. In the factories it comes up against the same adversaries as in former days. It would be well, therefore, were London to speak the praises of the France of 1789 to 1939: that France has so many friends who remain faithful, today as yesterday."

There is something more to be said of the problem of Communism, which preoccupies so many minds. If it is true that Communism has made few advances, except as noted above and among the little group made up of Jaures' followers, it is no less true that in certain local situations a different aspect presents itself. In such cases the Communists have the prestige of a very active group, which gives the impression of being very numerous; they profit from a martyr's crown; and finally, as the German successes created a kind of trance responsible in no small degree for the defeat, so the present successes of the Soviet armies put many people in a hypnotic sleep, from which they would not awake for fear of falling. The psychological escape from the stigma of so irregular a liason is by a formal alliance with the Russians. In addition are those who feel rather feeble and betray a childish desire for protection. An inferiority complex motivates some: for it is surprising how easily the Soviet victories become "our victories." These are satisfactions which it is difficult to deny to those who stand in need of them.

" Finally here is news that should be of interest to our American friends. The first known reactions of the French audience to the American programs rebroadcast here very favorable. Very much appreciated are their liveliness as well as their fine democratic tone and their freedom from

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all "clericalism." All this is summed up in such comments as: "The Americans understand France," and "The Americans know what we want."

No. 560

May 29, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

For your information, the following is a report on the progress of the Interdepartmental Committee for the Acquisition of Foreign Publications. This Committee was established by your direction on December 22, 1941.

MEMBERSHIP:-

Coordinator of Information

Department of State

Department of Commerce

Library of Congress

Treasury Department

Navy Department

War Department

Department of Agriculture

Office of Facts and Figures

Bureau of Economic Warfare

The aim of the Interdepartmental Committee for the Acquisition of Foreign Publications is to coordinate the

efforts of the various agencies of the Government to procure foreign newspapers, periodicals, official publications, books, pamphlets and other printed materials. Although some periodicals and books are being acquired in their original form, the principal medium that the Interdepartmental Committee is using to bring foreign publications into Washington is microfilm, the original material being filmed at microfilming stations established abroad. Newspapers and periodicals on 35mm microfilm are reduced to approximately one two-hundred-and-fiftieth and one one-hundred-and-fiftieth respectively of their original bulk; this tremendous reduction in volume and weight makes it entirely feasible to fly the films to the United States. After the negative films have reached Washington positive contact film prints are made to be used in microfilm reading machines and are distributed to the various agencies requesting the publications on the films.

A budget of \$43,917 for the last five months of the fiscal year 1941/42 was approved the last week in January.

During January and February the Committee compiled a list of publications considered vital to the war effort, and on February 12th a letter was sent to fifty-six Government Agencies apprising them of the Committee's work and requesting the agencies to submit for acquisition titles of publications

which they felt were of real importance to the war effort. Most of the agencies responded and have kept in close touch with the work of the Committee; a list of three hundred and fifty vital publications were compiled which has now been increased to about five hundred titles.

The Committee decided to establish microfilming posts at London, Stockholm, Lisbon, Cairo, Istanbul and Berne.

On March 24th Mr. Eugene B. Power, who is working under contract to the Interdepartmental Committee, left for London to organize his microfilm equipment already in England. Mr. Power has just returned to the United States having completed his work in England. The Interdepartmental Committee is now receiving each week about twelve hundred feet of microfilm of foreign publications being acquired by the British. On this twelve hundred feet of film there are roughly three thousand pages of economic, political, and scientific periodicals, and about eight thousand pages of European newspapers. German newspapers for the last week in April have already been received.

As a result of the Interdepartmental Committee's microphotographic activity in London, the British became interested in microfilm because they saw in microphotography a solution to some of their own problems. On April 13th, nineteen representatives from twelve different British Agencies

and two members of the London Office of the Coordinator of Information met together in London to discuss the possibility of "Anglo-American cooperation in microphotography of foreign newspapers and periodicals". The immediate results of this meeting were the establishment of a microfilming station in London and a request to the Interdepartmental Committee to set up a microfilming post in Stockholm. The British are acquiring over four hundred newspapers and periodicals in Stockholm, but they can transport to London only fifty of these publications. The British proposal was that the Interdepartmental Committee supply the microphotographic equipment, since such equipment is entirely unavailable in London, and the operator for Stockholm, and the British would supply the publication to be filmed; the British and the Interdepartmental Committee would each get a copy of the microfilm made in Stockholm. The Stockholm camera is already in England, and the operator, Dr. Adele J. Kibre will probably leave the United States sometime during the next ten days. The Stockholm post should be in full operation within three weeks.

The Committee plans to set up another large post in Lisbon where the British will probably cooperate with the Committee. Mr. Ralph H. Carruthers, operator for the Lisbon post, will leave with his equipment during the second week in June.

On March 27th Mr. George S. Rentz left for Cairo, taking with him all of the equipment for the Cairo and Istanbul posts. He is in Cairo now and has probably started filming.

The Istanbul operator, Mr. Lewis V. Thomas sailed on April 24th, and he should reach Cairo to pick up his equipment this week.

The Committee is at present engaged in renting an American microfilm camera in the International Labor Office in Switzerland and in acquiring the services of its Swiss operator who has been investigated and approved by the Department of State. This camera will be set up in the Geneva Consulate.

Cooperating with the United States Army Signal Corps, the Interdepartmental Committee will also have microphotographic equipment available for its use in Moscow, Bombay, Chungking and Australia. The Interdepartmental Committee's microfilm stations are, of course, being made available to the Signal Corps. The Committee has been able to locate a considerable amount of American equipment already in India and Australia and does not anticipate any difficulty in obtaining microfilms from these areas if it is called upon to do so.

The Department of State has been most helpful to the Committee and because of its willing cooperation has made this whole program possible. In March the Committee, through the Department of State, purchased some small Leica equipment

in Stockholm, and a member of the Legation has been filming some German newspapers. This Stockholm equipment is also being used and will continue to be used by the State Department to film the Legation's routine reports for transmission to Washington. The Committee has worked out a method for the State Department whereby the microfilm images can be enlarged onto photo-offset printing plates from which multiple paper copies can be readily printed. The Committee has, of course, offered the use of all of its facilities to the State Department.

Arrangements have been made for acquiring original publications from Russia and through Lisbon when speed is not a great factor.

The British Ministry of Information is also making available to the United States Government through the Inter-departmental Committee its "Overseas Press Summaries". These dispatches originate in the Ministry of Information's reading posts in Stockholm and Berne. They are cabled to London and then radioed to Washington. These dispatches amount to about twelve thousand words daily, and to judge from the unsolicited comments of the agencies to which they are distributed, they are of considerable value particularly because of their timeliness; it is not at all unusual to receive in Washington on one day abstracts from Scandinavian newspapers that were published the day before.

No. 563

May 29, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

This report, covering highlights of the week's war on the propaganda front, is based on recording of shortwave broadcasts at FCC's listening posts in Washington and Portland, Oregon; the Columbia Broadcasting System's listening posts in San Francisco and New York; on medium wave broadcasts recorded by the British Broadcasting Corporation, and by our own monitors.

What the Enemy Did

By and large, with the single exception of the Orient, this was a United Nations week.

Even on the Orient, however, the Axis had to talk fast and loud to capitalize on the Pro-Axis military balance.

In many respects the Axis remained on the propaganda defensive. Louder and louder were the indignant denunciations of "Allied propaganda" --- an unmistakable omen of allied propaganda success. Again and again Berlin insisted that the German High Command tells the truth and nothing but -- which must suggest to Berlin's listeners that the Nazis are protesting over-much.

victory: Peg for all this was the fighting in Russia and the Battle of the Atlantic.

The Axis picture of the Russian front was one, first sketched in hesitant, unsure lines; at the end of the week, boldly drawn to the familiar Goebbels pattern.

Berlin talked of enormous booty, numerous prisoners, air superiority -- and untrue allied propaganda. Said Berlin: "Berlin is silent on the Kharkov issue and this silence is giving headaches to leaders of the nations which call themselves allied. The German High Command sticks to facts and will not make any premature predictions. The Kerch battle should convince the world that the German Army cannot be defeated. Unfortunately, you people living in America get your news from Anglo-American sources."

By Sunday, however, Berlin forgot its silence. The Germans are counterattacking, the Soviets are suffering terrific losses. On Monday Tokyo picked up the cue and said the Kharkov battle would become the greatest fighting operation since the start of the Russo-German War and indicated that the Germans would win the toss. By Tuesday Kharkov had become a battle of destruction. Then it was a battle of annihilation to follow the encirclement operation. It would go down in history as the greatest of encirclement maneuvers. Thursday and Friday Berlin (and the other Axis stations) were building up for a German

victory: stressing the fighting quality of the Russian soldier, Russian equipment, reinforcements. Whether the Axis buildup would instead bolster a Russian victory remained to be seen.

The propaganda week on the Battle of the Atlantic started out with trumpet roll from Rome, which triumphantly announced the sinking of a U.S. Maryland-class battleship by the submarine Barbarigo. This, it said, happened off Brazil. The propaganda pattern here was the reverse of the one Berlin followed on the Russian front. Rome (and the Axis stations) asserted that Italian submarines had to go into the Atlantic to seek out U.S. warships because they had absolute domination of the Mediterranean. Said Berlin, "the celebrants of United States Maritime Day would do well to reflect on the latest figures of sinkings by U-Boats and on sinking of a Maryland-class battleship." Our official silence, however, took some of the joy out of the Axis. Rome blustered, "Washington's present silence on the Maryland sinking is indirect confirmation of the fate of the Allied navies at the Coral Sea."

On Monday news that an Argentine ship had picked up survivors of a submarine sinking revived Axis optimism. This, said all Axis stations, is proof the Maryland-class battleship was sunk. But on Tuesday the campaign died down and absolutely disappeared when the news was published that the survivors, which

proved the Maryland-class sinking, had, in fact, not come from such a ship.

Mexico's hostility to Germany was at first studiously avoided. On Tuesday Berlin mentioned it for the first time, and then only in transmission to South America. The anti-Axis demonstrations in Mexico, said Berlin, show the methods of War Provocateur Roosevelt. On Thursday, weakly, Berlin said it was of little importance to the Axis if insignificant countries like Mexico got into the war, and anyway Mexico had the choice of war with the Axis or invasion by Roosevelt's armies. On Friday there was a step-up. It was Wall Street Imperialism and Roosevelt Dollar Diplomacy which had forced Mexico into the war.

Tokyo, never one to use a tack-hammer when a sledge is handy, saw Chungking tottering and crumbling as a result of the fighting in China and Burma. It was only enemy propaganda that the British and Chinese were still resisting. Berlin caught the cue from Tokyo when Stilwell retreated, and said Chungking had erred in appointing a General who left his troops in the lurch. Stilwell was a fugitive General like MacArthur. This was one more glorious retreat.

Strangely lacking was the expected tub-thumping about the third anniversary of the Italo-German Pact. There were the usual mutually congratulatory telegrams and affirmations of friendly faith.

The second front was given a round play by the Axis. Fred Kaltenbach, the American traitor on Radio Berlin, said Churchill would refuse action until the Yanks showed the way. It would require 8,000,000 tons of shipping for a 1,000,000-man expeditionary force, he said. But where would it come from?

When the U.S. air chiefs arrived in London, only Radio Amsterdam mentioned it, and quietly.

By Friday the second front had become a main Axis concern. The Axis sought to convince everyone, everywhere, that the United Nations just couldn't do it. Berlin called it the "Second Front Bogey". In mediumwave broadcasts to England Berlin (through satellite stations) alternately urged Britons to forget the idea and begged them to start it soon. There was ever-evident an unmistakable Axis nervousness.

A new development in Axis propaganda was seen this week. Nazi submarine commanders politely told their victims that they were sorry to have to sink their ships, and that the blame was to be laid to Roosevelt.

#### What We Did

We strongly played the fighting at Kharkov and Kerch, freely admitting, when it came, the Kerch evacuation and pointing out that the enemy had held Kerch before and failed to leap the straits. Kharkov we led with. Near the week's end, on advice

from higher quarters, we exhibited some apprehension about the Kharkov struggle.

The situation in Burma and China we called confused, not cheerful. We stressed the rains and monsoon. We laid heavy emphasis on Stilwell's statement that Burma must and would be retaken. We underscored the heavy Japanese losses at Chekiang. We quoted Stilwell bluntly on his blunt statement.

Maritime Day was a show-leader. All that could be squeezed out of the ship-launchings was squeezed. (The Axis offered silence, but increased its emphasis on our ship losses.)

The situation in Mexico was well-exploited, with our emphasis on the increased solidity of the anti-Axis Bloc and the psychological advantages.

For weeks we have now and again talked of a second front in Europe. This continued, but when our air chiefs arrived in London we openly hinted at a coming air offensive; the second front was reborn, and while we named no date or sector, we clearly indicated there was trouble in store for the Axis.

Two of our campaigns met complete silence from the enemy. We stressed the Rome-reported weeding of the Fascist Party and we laid stress on the New York Times report that Laval's position was endangered. We promised nothing about Laval, carefully credited the New York Times.

No. 564

May 29, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is taken from the British Ministry of Information Guidance Report.

"It is not likely that a full dress German offensive will be launched on the Eastern front for a week or fortnight. The Russian offensive may delay it further. It is improbable that there will be an Axis offensive against Turkey this summer.

"Eastern front. Temporarily the Japanese seem to be taking a rest. There are signs of an imminent attack on Australia, India, Solomons or Russia. Stress the fact that the United Nations are taking full advantage of the breathing space. Japanese offensive Chekiank seeking a clear area usable for bombing Japan but for geographical reasons hardly part of coordinated offensive against Chungking.

"It is hard to believe that if Doriot were to replace Laval it would not mean the end of the Vichy system, obliging Germany to make forceful intervention, which would require spending manpower she cannot afford to spend."

No. 565  
May 19, 1942  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

I am attaching a Chinese Boy's Scout emblem. This was handed to me by Father Mecus, about whom I wrote you on April 20th (memorandum number 428). Father Mecus stated that when he left China the Chinese Boy's Scout Executives there gave this to him and requested that it be given to you as the Chief Executive. I am glad to comply with this request.



[Original in Museum Collection]

No. 566

May 29, 1942

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MEMORANDUM FOR THE PRESIDENT

From William J. Donovan

Major-General Bonavita, the Military Attache of the French Embassy, and Colonel Jacquin, the Air Attache, at the request of Henry Hays, have jointly drawn up a note summarizing their impressions and their diagnosis of the military position of the United States at the present time.

Here is the text of the note:

"SECRET. In giving a concerted opinion on the present military situation of the United States, it is expedient first of all to free oneself from all preconceived ideas, born out of the abundance of information given by the press and the radio. As a matter of fact, this information is largely imaginary or twisted.

"The United States have passed through three stages during the course of a year:

"1. Attempt at psychological pressure on the Axis by means of proclaiming an enormous financial program for meeting war expenses. It is apparent that this attempt did not impress either Germany or Japan;

"2. Attempt at psychological pressure on the Axis by means of proclaiming excellent results in the starting of factories for war materials in the United States.

There, too, the enemies of the United States were not at all

impressed and continued the cycle of their operations imperturbably; territories of Great Britain, but that in no case

"3. Putting into operation the armed forces and the air forces. Here there are two periods: a/ The army tried to form new units by gradually taking from the existing units officers and non-commissioned officers to instruct the new recruits. The result was deplorable, for at the same time that the army was scattering its contingents over thirty-one different theaters of operations, spread over all the points of the globe, it happened that there were left on the home territory of the United States nothing but skeletons of great units capable of waging war.

"b/ The American general staff wisely decided to preserve intact the already instructed units and to instruct the newly constituted units, for better or worse. This latter system, although being the better one, necessitates long months before an offensive army, capable of measuring up to the veterans of Germany and Japan, can really be ready.

"Information from the best sources indicates that General Marshall, at the time of his trip to London, must have indicated to the British that the United States were not prepared to send their troops first to fight, that England disposed of sufficient contingents to open a second front, that in that case the American army would be ready

to dispatch contingents for the purpose of providing relief of the territory of Great Britain, but that in no case would the American general staff agree to open the battle of the continent first.

"In regard to the air forces, there is the same situation. There are at present fifty-four combat groups, formed and instructed. Now it is announced that the air force will consist of 84 groups, which shows well that the existing units will still remain on American territory. In fact, it will only be when the Air Corps expansion program is obstructed by the number of existing groups already instructed, that the United States is going to be able to "export" combat squadrons. Until then it is completely occupied with expansion and growth, without any serious possibility of going into competition with enemy air forces which have already proved themselves on twenty fields of battle.

"In resume, the military situation of the United States, when stripped of the lyricism of the journalists and radio commentators and of the optimism expressed by official personages, is quite clearly unfavorable. It allows no important strategic movement, no great tactical plan, and even less the opening of a second front in Europe or Asia."

May 30, 1942

No. S 42

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: W.J. Donovan

The following are the texts of French cables exchanged May 29.

L'Amiral Robert a telegraphie a l'Attache naval le telegramme suivant:

"L'Amiral Hoover a qui j'ai fait part de l'intention de stocker a Casablanca les pieces de machines des navires de guerre, craint que cela n'occasionne des retards et suggere la Guyane.

"Je lui reponds que, dans ce cas, je prefere Fort de France.

"Les conversations se poursuivent dans une atmosphere favorable et j'espere qu'elles pourront se terminer prochainement a la satisfaction des deux parties."

L'Ambassadeur a envoye a Vichy le telegramme suivant:

A plusieurs reprises, le bruit a couru que M. Cordel Hull se retirerait de la vie publique. Dernierement, au moment ou le Secretaire d'Etat est parti

en Floride pour se reposer, ces bruits ont trouve une creance nouvelle et la nomination de M. Sumner Welles a la place de M. Cordel Hull a ete annoncee comme prochaine et comme sure.

"Mais voici qu'aujourd'hui plusieurs journaux soulignent que M. Cordel Hull est en etat de sante parfaite, qu'il est tres combatif et a meme enleve au Vice-President Wallace des attributions que celui-ci avait pretendu de reserver dans les organismes destines a preparer l'apres-guerre, qu'il ne songe nullement a abandonner son poste.

"Au contraire, M. Sumner Welles, serait souffrant, songerait a se retirer pour quelques temps dans sa propriete du Maryland et briguerait ensuite le mandad de senateur du Maryland aux elections de novembre."

L'Ambassadeur a envoye a Vichy le telegramme suivant:

"La commission senatoriale chargee d'enqueter sur l'incendie du Normandie a publie dans son rapport que le Normandie n'etait pas fait pour etre un transport de troupes, que si pour une raison quelconque les quinze mille soldats qui auraient ete a son bord s'etaient portes du meme cote, le bateau aurait chavire, en raison de son instabilite.

"Le New-York Herald Tribune en profite pour publier dans un editorial que c'est en somme par une benediction du ciel que le Normandie a brule. Il ne dit pas qu'il aurait peut-etre mieux valu que les Etats-Unis agissent avec moins de precipitation et ne s'emparent point de ce batiment francais, en violation des assurances officielles que nous avions recues."

No. 566  
May 30, 1942  
6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following are summaries of interviews with certain of the people returning to this country recently through Lisbon.

"A. A Correspondent Returning from Italy

1. It would be good propaganda to tell Italians we are not at war with Italian people but against Mussolini and his Clique. Form should be quite different than that directed at Germany where most people are in favor of making war.

2. Italian language broadcasts from London badly jammed but French language broadcasts jammed but little and best of all are ordinary English transmissions (Packard confirms, adding Italian MOI does not jam English language because they rely on it for information).

3. But only effective propaganda in Italy would be British victories. Still much can be done with references to Mussolini's past, since new generation know nothing of his

early inconsistencies. Repetition not advisable as too obviously propaganda and will not be believed. Should be few carefully prepared talks 10-15 minutes each with documentary evidence which might influence younger generation.

4. Real Italian but not British or American jokes against regime or leading personalities would be effective. Effort should be made to cultivate respect for Italian civilization. Intellectuals are 100% Anti-Fascists.

5. People notice party leaders, even Podesta in little towns, doing little toward winning war. No sabotage on large scale but farmers are withholding wheat especially Sicily where there is special hatred of Germans. He knows of two or three subversive organizations Florence and Sienna but not under a title. Between towns such organizations have no cooperation. Railway transport good, better than Germany, trains still run on time.

6. Pope absolutely Anti-Fascist as is practically all clergy but they have little influence except in villages and dare not be outspoken on political subjects.

7. German police control entirely from behind scenes. German police never in direct contact with people but Italian police take orders from Gestapo and arrests for injudicious conversations increasing.

8. There is passive resistance by Italians against joining Russian campaign. Hitler demands more men and Mussolini willing, if only get rid military working against his regime. The fact he does not send more men to Russian front may possibly indicate he is not convinced now of German victory. Average Italian really has started to believe Germany will lose.

B. A correspondent.

1. Italian middle classes most pro-American.

On departure from Sienna, waiters, soldiers, detective and police crowded around wished them well, asked Americans to take messages to relatives and friends in America.

2. Mussolini still believes he will have opportunity change sides at critical moment. His government loses no opportunity adroitly exploit Italian people's friendliness for England and America.

3. Germans not afraid of revolution in Italy, interested only in perfecting Italy as efficient workshop.

4. BBC in English is godsend to people.

C. Interviews with Derek Oechner from Berlin, Paul Yphantis, American nonconformist Minister, and George Beyes, young American both from Athens contained little not known in America. On Greece, eye witness stories con-

firm horrible conditions widespread starvation terrorism."

No. 567

May 30, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

You may be interested in knowing that according to our information the German Propaganda Ministry fears and suppresses anything suggesting:

- a. Distinction between German rulers and German people.
- b. Different kind of justice for Germans and their leaders.
- c. German people might do something to save themselves.
- d. Any opposition within Allies to "Vansittartism".
- e. German economic collapse not in Allied interest.
- f. No particular hatred revenge in Allies of Germany.
- g. Reconstruction in England after war or Allied determination that old state of things shall not return.

No. 568

May 30, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

You may recall when last I saw you I told you of conversations I was having with the Apostolic Delegate in conjunction with Mr. Dunn of the State Department. There follows a memorandum of a conversation which Mr. Dunn and I had with Monsignor Vanuzzi who is en route to the Vatican.

He is to go to Lisbon where, due to the illness of Papal Nuncio, Vanuzzi will undoubtedly be the actual Executive. This is important from our standpoint. When you read the following I am hopeful that out of it you may have some suggestions that we could follow.

"Monsignor Vanuzzi informed us that he had been transferred to Lisbon, but that he would proceed to Rome before taking up his post, and he would be very glad to be of any assistance in carrying the latest information with regard to the American position with respect to the war to the Holy See. Colonel Donovan said that he was very sorry to see Monsignor Vanuzzi leave Washington, but that he saw no reason why advantage should

not be taken of the Monsignor's presence in Lisbon and the possibility of his reporting to Rome from there and for keeping Monsignor Vanuzzi currently informed of developments and trends in this country in order that authentic information on that general subject might be currently transmitted to the Vatican.

"The Counselor stated that he felt very strongly that the only proper solution for the war must be the victory of the Democratic Nations and that the United States, under the leadership of President Roosevelt, had publicly declared as its objectives freedom of religion, freedom of the individual under his own Government, and economic stability, all to be established for all peoples after the war. He further stated that the Vatican would be unable to carry on its work in religious and humanitarian fields except under world conditions which would insure individual liberty and economic stability.

"The Counselor further stated that it was also of the highest importance that the economic stability and individual freedom in Italy be maintained because it will be impossible for the Vatican to carry on its work in the world if it is subjected to a narrow dictatorship in Italy which would, of course, restrict the Vatican's freedom of action. Monsignor Vanuzzi said that he felt the people of Italy were completely out of sympathy now with the leadership of Mussolini, although in the earlier days of his dictatorship, Mussolini had commanded the respect and

enthusiasm of the Italian people with the constructive measures he had put into force at that time. He felt that Mussolini had now gone entirely contrary to the wishes of the Italian people in associating the Italian nation with the Nazi Regime and that it would be possible to have the Italian people pull out of the war if they were properly approached along these lines.

"Colonel Donovan pointed out the traditionally friendly attitude of the American people for the Italian people and said that if there were any question of the Italians withdrawing from the war, this must be done at once in order to obtain a favorable response from the American people to such an act. Colonel Donovan further pointed out that in view of the stage of the war into which we are now rapidly progressing, it was absolutely essential, if the Italian people were to withdraw from the war, that such a move be made before it became impossible for the American people to give recognition to such withdrawal, and asked whether there would be a strong enough group in Italy to bring about such a move, and if so, whom there would be.

"Monsignor Vanuzzi pointed out that the King, while he had suffered reduction in prestige during the dictatorship of Mussolini, still represented something basic to the Italian people, and while it might be necessary for him to abdicate in favor of Crown Prince Humberto, Monsignor Vanuzzi felt that there

were many of the higher officers of the Italian Army and Navy who were absolutely loyal to the King and who would, for the sake of saving Italy, associate themselves with the Crown in a move to withdraw Italy from the war. He said he felt that the Vatican would know whether such a plan would be feasible and if so, who the officers would be who would give it their support. He said he felt certain that the Pope would have means of communicating with the King in order to ascertain whether such a plan would be feasible. He asked whether in the event arrangements could be made for the withdrawal of Italy from the war, assurances could be obtained that the economic life of the country would be assisted by the United States and that food relief and other means of preserving the stability of the country might be forthcoming at the appropriate time or at least upon the termination of the hostilities. Colonel Donovan said that of course no one other than the President could give assurances on these points, but he felt absolutely certain that if the withdrawal were to come along at an early date, the American people would be most willing to give assistance to Italy in response to their act of withdrawal.

"Monsignor Vanuzzi brought up another point in which he said he felt sure the Vatican would have a great interest, that is, the possibility of dealing with the question of religion in Russia. Mr. Dunn said that of course it would be impossible

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for anyone to give any definite assurances with respect to that subject, but that certainly the United States would be in the best position of any Government to further the question of religion in Russia, and that by reason of the way the President was dealing with the Russian Government. He pointed out that there is no conflict of interests whatever in the political or territorial field between Russia and the United States, that this Government is endeavoring to be as helpful as it possibly can to Russia in the prosecution of the war, without making any demands on the basis of quid pro quo, or the fact of asking anything whatever for ourselves. The result of this treatment surely cannot be overlooked, and after the cessation of hostilities this Government will surely be in the best position to attempt to bring about at least an amelioration of conditions in Russia as far as religion is concerned, and of course it would be to our interest to accomplish such improvements as we can. This was an extremely delicate question and while we could understand the interests of the Vatican in the matter, it was probably best to leave any discussion of such a subject until a later time when we could be depended upon to be of every help we could in the premises.

"Monsignor Vanuzzi also brought up the question of humanitarian relief for the afflicted countries after the war, and Colonel Donovan pointed out to him that if the Vatican had

placed itself in a position of having helped to have Italy withdraw from the war, even though such a move were not publicly known, but known to the President, he felt that this country would be only too happy to have the Vatican associated with us in the question of relief to the suffering countries after the war.

"The Counselor requested our aid in obtaining clipper priority for passage, and wishes to see us before he goes. Colonel Donovan suggested that Mr. Dunn submit to the Counselor before he goes, concrete questions growing out of the discussions that should be answered."

No. 569  
May 30, 1942.  
6:00 p.m.

MEMORANDUM FOR THE PRESIDENT FROM WILLIAM J. DONOVAN

I append herewith copy of eight very secret memoranda regarding reports which the Spanish Ambassador is making to his Government and, in view of the origin and nature of these memoranda, it would be unfortunate that any indication should get out as to their existence.

I am going to remark briefly on certain things that strike me as significant.

Knowing Cardenas, I would have expected somewhat less objectivity than he has shown in respect of our war effort and of the potentialities of our production. Such information as he sends in these reports are unlikely to be palatable reading to his Minister of Foreign Affairs. Nevertheless, they may come as salutary warning to a man like Sumer from a trusted representative like Cardenas.

For instance, please see the last sentence in the last paragraph of Section 3, on Page 6.

"Thus it can be affirmed that in spite of defeats suffered by the United Nations, the U.S. are not only very far from being beaten, but on the contrary appear to have entered into a period of reorganization for war which should and can enable them to defeat the Axis."

In another place in the report, dated March 23, three final paragraphs read as follows:

"It can also be said that once this country succeeds in overcoming the obstacles which still exist, armament production will reach prodigious heights, as this country's industrial potential is well-known.

"In any case it must be considered probable that in the more or less near future a considerable degree of efficiency will be reached in this respect.

"Whether this will be sufficient to surpass or not the resources at the disposal of the U.S.A.'s opponents in the war: whether the U.S. output can be utilised in time, or whether the armies which are to make use of this material will have had the necessary training and will possess the indispensable amount of morale, as well as whether the various General Staffs will be found to possess the necessary strategic ability, or whether the muddled policy of the Allied Nations will interfere with the conduct of the war causing irreparable damage - all these are questions which cannot be answered here since on the one hand they depend upon a series of comparative data which we do not possess and on the other hand they are bound up with a number of circumstances the very existence of which and the extent to which they may influence the final result of the war, time alone can show."

- 3 -

The Section on Page 6 of the first report entitled:

"6. DIFFICULTY OF OBTAINING PASSPORT VISAS."

Containing as it does a reference to the possibility of reprisals in matters of passports is of interest.

I am furnishing the Secretary of State with a copy of this memorandum for his information.

COPY

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May 21, 1942.

It has been learned from a most secret source that on May 4, 1942, JUAN F. DE CARDENAS, the Spanish Ambassador to Washington, made the following report to his Government:-

REPORT BY THE SPANISH AMBASSADOR IN WASHINGTON.

1. Campaign on the part of American intellectual group to involve Spain in the war - reasons they are anxious to do so.
2. Appointment of Mr. C. Hayes as Ambassador to Spain - peculiar press comments. Sr. Cardenas' opinion of Mr. Hayes' qualifications.
3. Progress of the war. U.S. production. Their ultimate air superiority should enable United Nations to defeat the Axis.
4. Relations between U.S.A. and France - momentary slackening of tension.
5. Establishment of relations between the Vatican and Japan.
6. Difficulty of obtaining passport visas. Reprisals by Spain considered inadvisable. U.S. suspicions hard to remove.

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

CIA HR 11/27/74 Date DEC 4 1974

Confidential & Secret.

1. CAMPAIGN TO INVOLVE SPAIN IN THE WAR.

Some time ago I wrote you a letter - which I did not send as no Valise was available - describing the underground campaign which is being carried on here by certain elements, whose object it is to bring Spain into the war. Time has removed some of my fears, and clarified and confirmed others. Today I include in this report what I have already told you, so that you may be informed to date.

On the entry of the U.S.A. into the war, the group of American intellectuals which sympathizes with the Reds, the Jews, the Protestants, and the Spanish Reds, having thus attained their first objective concentrated their efforts against two other countries, Spain and France, making them the target for all their attacks.

I soon became aware of this, and informed you of it in my previous statement referred to above, but in it I also said that it was to this state of affairs that I then attributed the delays and contradictions in orders granting licences, and in general, all the difficulties we were encountering.

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Time has caused me to change this last belief, and I am now convinced, through personal experience, and from definite statements from some of the highest officials in the Administration, that the confusion caused by the necessary employment of some inexperienced officials, has been the principal reason of the difficulties encountered not only by us but by everyone, including those countries who are friendly to the U.S.A.

To return again to the beginning i.e. the existence of a certain group who would like to see us involved in the conflict, with a definite object, I would repeat what I pointed out in my Telegrams 273 - 276.

The ideas which this group exploits are:-

1. That the regime in Spain is the same as in Germany and Italy, and for that reason must be exterminated; the best way of doing this is to involve Spain in the War, since once she is in it, they feel sure of destroying her, at the same time as Germany and Italy. With this end in view, the Spanish Reds are collaborating with the groups previously mentioned, and are endeavouring to organize a "Free Spain," if they have not already met with success it is due to differences among themselves, and, I believe especially to the attitude of Indalecio Prieto, who has publicly stated that so long as Spain retains the friendship of England, there is nothing to be done in this direction.
2. The hope that the entry of Spain into the war on the Axis side, would create such an antagonism with the Spanish American countries that it would separate her from them, a thing which some people in this country view most sympathetically as they believe that this would be the best way of terminating all Spanish traditions in Spanish America.
3. The temptation, which some may experience, to believe that it would facilitate the invasion of Europe, and the pretext that it would give for the seizure of the Canary Islands, whose occupation along with that of the Azores, has been advocated by some newspapers, and which possibly is planned and prepared should the opportunity arise.

In my telegram referred to, I informed you that the reactions mentioned therein, which I have just repeated, had not yet found an echo in the press, but a few days after sending you the said telegram, they did so, and I gave you an account of the petition signed by 400 Protestants, urging that the U.S.A. should declare war on France and Spain.....

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A few days later the Review entitled "The Nation", a very advanced organ, published a long article by Alvarez del Vayo, entitled "1942 or Never," in which he said: 'and it is precisely by way of Portugal and Spain, which are still potentially at war on the side of Hitler and Franco, that the popular imagination visualises an invasion by the Allied forces of the occupied countries of Europe.'

As you see, my impressions are being confirmed, and the campaign against Spain, which previously was carried on in a more veiled manner, is now appearing in the open.

It is unnecessary for me to say that I am following this matter with the closest care and attention, and will continue to inform you of any developments.

To close, I should point out that in the highest circles, and amongst the principal officials of the State Department these campaigns have so far made no impression.

2. APPOINTMENT OF THE NEW AMBASSADOR.

In view of the manner in which the Press here has commented on the appointment of the new Ambassador, this matter is linked with the last mentioned, and for that reason I next deal with it.

In my telegram, when forwarding the request for the approval of the new U.S.A. Ambassador, I informed you of the details which I had been able to obtain regarding Mr. C. Hayes. Later, I went on collecting information, and have read with close attention all the newspapers have said about him.

My conversations with him and with various friends with whom I discussed him have confirmed my impression that Mr. Hayes is another of the many American Ambassadors filled with the best intentions, but who does not know the European mentality, especially the Spanish, and who in consequence, lacks the background necessary to fit him for the post of Ambassador. However, from what he has told me I believe he has a genuine desire to please us, and will do everything possible in that direction.

The press attitude regarding his appointment, and the accounts of the various functions held in his honour, have been very peculiar - I would almost say suspicious.

When his appointment was reported, he was represented as being a great enemy of the totalitarian States, but the press exaggerated his views to such an extent that Mr. Hayes endeavoured to correct the impression, which was difficult for him to do, owing to the state of war with the Axis Powers,

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and the hysterical atmosphere prevailing here. I attach a cutting from the 'New York Times' containing the report and the correction.

Later in the reports of a speech which he made at a banquet held in New York in his honour, ideas were attributed to him which he had not expressed and what he did say was misrepresented. Our friend, Father Talbot, who was present at the banquet, wrote to me giving an account of the function; with reference to the Ambassador's speech he says: 'The Ambassador did not say much, but he expressed his great desire to fulfil his mission tactfully, and his sympathy for the peaceful policy of Spain.'

During the last few days further attempts have been made to create antagonism against him in the country to which he has just been accredited, by publishing his photograph taken when, as a mark of gratitude he was presented with a diploma by the National Conference of Christians and Jews, an organisation created in 1928 to promote understanding and cooperation among Catholics, Protestants, and Jews of which, from the time of its foundation he has been President of the Catholic group.

After analysing the attitude of the press and knowing the methods which the American group previously referred to, the Jews, the Protestants and the Spanish Reds are capable of employing, I have come to the conclusion that it is quite possible that all the things I have mentioned have been done deliberately, with the object of creating an unfavourable atmosphere in Spain towards the new Ambassador so as to provoke incidents which might cause him to be declared a 'persona non grata'; advantage would then be taken of the opportunity to carry on a campaign of anti-Spanish propaganda, emphasising our alleged intolerance and our union with the Axis, and by this means to bring about the withdrawal of the Ambassadors and provoke a rupture of relations, all with a view to bringing us into the war.

Of course I tell you all this with all kinds of reservations, as it is based on inference and supposition and the reason I have passed on to you my deductions is because I am anxious to keep you informed of my doubts and fears, and above all about all matters with which I consider you should be familiar.

On the seventh inst. the new Ambassador is dining at our Embassy, and I shall have further opportunity of speaking to him. As he is a prominent Catholic, I have invited to the dinner, the Apostolic Delegate in Washington, the brother of the Papal Nuncio in Madrid.

United Nations, can obtain its superiority, particularly as

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Before closing the subject, I should like to repeat that the impression Mr. Hayes gave me, was that he is an intelligent man, filled with the best intentions, but as I have already pointed out, without the experience which the post requires in present circumstances.

3. PROGRESS OF THE WAR.

As regards the war, I have been informing you of its progress by cables and despatches, but lack of shipping prevented the sending of diplomatic bags, so that a great number of despatches accumulate that have lost topical interest, but are still valuable as periodical reports on the most important events that have been taking place. This information does not include all the points I should have liked to mention, owing to lack of staff and time available, but it is sufficiently complete to enable one to follow the main events.

I send you herewith copies of the most important despatches, most directly concerned with the war, which I think of the greatest interest. Among them I would like to direct your attention particularly to No. 99, in which the production of armaments is reported on. As is stated in the first paragraph of the report: 'even before the entry of the U.S. into the war, the production of armaments in this country was a subject which gave rise to considerable comment; it was considered that final success in the conflict depended on gaining superiority in war materials, and it was believed that the industrial potential of North America if properly directed to such an end would undoubtedly produce this advantage, giving the United Nations a certain victory, since here they had proclaimed and tried to put into practice the principle of building up in this country what is called the "Arsenal of the Democracies".'

After reading the report in question you will realise that the U.S. have not yet arrived at the complete development of their production power on the scale of which they are capable, but as time passes organisation must be improved and the value of their industrial potential and material wealth, which is really enormous, put to effective use.

So that if, as appears at present - and this is the point to which I would draw your attention - the decisive weapon of the war has been aviation, considering how advanced is the whole technique of aviation in this country, the number of pilots and mechanics that can be trained here, and finally, the figures that aircraft production can and will reach, one must believe that before long this country together with the United Nations, can obtain air superiority, particularly as

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its factories and reserves are in territory which for the time being at least can be considered invulnerable. However, this is not sufficient reason for stating categorically that the United Nations will win the war immediately or gaining air superiority; such superiority is not sufficient, it must be decisive and accompanied by many other factors (some of which are mentioned already.) the importance of which I am not in a position to judge. Thus it can be affirmed that in spite of the defeats suffered by the United Nations, the U.S. are not only very far from being beaten, but on the contrary appear to have entered into a period of reorganization for war which should and can enable them to defeat the Axis.

4. RELATIONS BETWEEN THE U.S. AND FRANCE.

Of the relations between the U.S. and France I say nothing, as I have sent you herewith a despatch dealing with what has occurred between North America and France from the summer of 1940 up to the present time it being only necessary to point out that if matters here should come to a rupture with France, in which case the second part of the plan of the enemies of Spain would have been successful, all their attacks would then be concentrated against our country.

I had occasion to see the French Ambassador who confirmed that there had been a slackening of tension, but added that a new crisis might arise at any time.

5. ESTABLISHMENT OF RELATIONS BETWEEN THE VATICAN AND JAPAN.

I have been informing you by cable of the most important matters relating to the war in the Pacific, one of them being the formation of the 'Council for war in the Pacific,' an event which I communicated to you in my telegram and amplified in my despatch, but apart from matters more or less directly concerning the war in the Pacific there is one event to which I should like to draw your attention, this being the impression produced here by the Vatican having agreed to establish relations with Japan. As I reported in some detail on the matter in a previous statement, I attach a copy I made of it.

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6. DIFFICULTY OF OBTAINING PASSPORT VISAS.

Finally, another affair of which I must inform you refers to passport visas, a matter in which on some occasions I have had considerable difficulties, although up to now I have been able to overcome them.

NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM.

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At one time I thought of cabling you so that reprisals could be taken in Spain, but having studied the position carefully, I came to the conclusion that we had more passports than they and furthermore that the greater part of the latter were also in the interests of Spain.

For this reason I abstained from making this suggestion, but I think it necessary that you should be duly informed of the matter, as later on, if this state of affairs does not improve, I may possibly send you a telegraphic despatch advising the application of strict reciprocity.

Of course I must also tell you that here, in reply to my constant complaints, they always tell me that there are some Spaniards with official and others with ordinary passports who try to work for the Axis, and for this reason the authorities here are obliged to take strong precautionary measures.

Cases like that which occurred in New York with Von du Osten, a chief of German espionage and a citizen of that country, killed in a motorcar accident, who was found to have a Spanish passport issued at Shanghai, and various other persons who sometimes apparently tried to use their diplomatic passports to help some fellow traveller create suspicions and mistrust which it is afterwards difficult to overcome....."

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May 21, 1942.

It has been learned from a most secret source that on May 3, 1942, JUAN F. DE CARDENAS, the Spanish Ambassador to Washington, D.C. made the following statement to his Government:-

Relations between the U.S.A. and France are undoubtedly very important not only because of the bearing which the continuance of France's neutrality under the terms of the armistice signed with Germany has on the war but also on account of the consequences which the final attitude of its neighbour must have for Spain, even if we look at the matter - as we are obliged to do from here - solely in the light of the reactions of American public opinion and of the Washington Administration to any possible situations which future events may create.

At the close of a review of relations between France and U.S.A. since the capitulation of France in 1940, Cardenas refers to the intensified submarine attacks which gave rise to the suspicion that Martinique and Guadeloupe were being used as bases by German submarines, and after the Japanese successes, and states: Then for the first time M. Tixier, General de Gaulle's representative, was received here by the Under Secretary of State, thus breaking the promise which the French Ambassador told me had been given him in exactly the opposite sense, and he added that hitherto the representatives of Free France had only been received by minor officials.

He then told me that he failed to understand this Government's policy of believing exaggerated reports and also asserted that it was mistaken if it thought that the French fleet would not follow its Government because he was sure that it would remain loyal to Marshal Petain.....

According to the French Ambassador, his remarks to the Under-Secretary of State had undoubtedly played their part in bringing about this improvement (in America's relations with France). He had pointed out what a break with France would mean, strategic bases for Germany, collaboration of the French fleet, etc. and had added that the French empire, contrary to what they might believe here, would always remain loyal to Marshal Petain's Government.

The situation at the moment, therefore, even allowing for the deterioration that relations have undergone recently (since at any rate the De Gaulle representatives are consulted now, a thing which never happened before, and the U.S. Ambassador to France will soon arrive here) is one of expectancy with a tendency to improve, but naturally it is impossible to predict how long it will last.

The U.S. Government's attitude to France is influenced primarily by two factors or groups whose ideas and actions cannot be very clearly defined since in both respects there are subtleties which are impossible to disentangle completely; nevertheless in a theoretical fashion and with a view to throwing light on the problem, we may attempt the following classification:

One of these groups is composed of those who are concerned solely with the fundamental object of winning the war. They are consequently of the opinion that every effort should be made to maintain a benevolent attitude so as not to compel France, in the event of a break in relations with her, to take up her position definitely on the side of Germany. The French fleet is still a force to be reckoned with, French colonial possessions can offer important bases for the Germans, and within France itself an uncompromising attitude on the part of America might well cause reactions which would seriously hamper the cause of the Allied nations.

The other group consists of Leftist politicians and theorists with more or less communistic sympathies for whom the present war is one between the dictator countries and the masses who hold to a greater or lesser degree Marxist views and it is their hope that everything that opposes their own theories in the ideological sphere will be attacked without regard for military strategy. They are the ones who, by taking advantage of the unusual conditions caused by the war, aim at bringing about within the United States advanced social reforms which they are anxious should continue when the war is over.

As these two groups are not clear-cut or well defined, it is of course obvious that their influence is very complex, and makes itself felt first in one sense then in another, each group endeavoring to achieve its aims which in some cases stop short at a certain point, while in others, they go further.

This accounts for the doubts and vacillations which are to be observed in the Government's attitude, and it should be noted that in the mind of the President himself, as, on the one hand, the man responsible for the war, and, on the other, the man who has planned and brought about social reforms arising out of his policy known as the New Deal, these two aspirations undoubtedly struggle for supremacy.

At present, moderating influences, as far as France is concerned, seem to predominate, as the desire to preserve the present state of affairs is obvious, but as I said before, it is impossible to foresee whether it will last.

What is happening with regard to France may have important consequences for Spain.

As far as our country is concerned, the same two groups of opinion mentioned above also exist there and more in the same directions; the part played by the De Gaulle supporters as propaganda agents in the case of France is played by refugee Reds with regard to our country.

It is a fact moreover that, in the event of a break with France, the task which the Left extremists have taken upon themselves will have been crowned with success, and Spain alone will remain as the object of their attacks.

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In such a case, those attacks would undoubtedly be redoubled with greater probability of success.

To this must be added the ever-latent desire in the U.S.A. to oppose Spain's influence in Latin America; the actions of Protestant sects who always have feelings of antipathy for Spain; and the avowed and patent hostility of the Communists.

All these reasons lead me to believe that the question of America's relations with France is one which must be very carefully followed, to enable me to keep you duly informed about everything that happens."

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May 20, 1942.

It has been learned from a most secret source that on April 3, 1942, JUAN P. DE CARDENAS, the Spanish Ambassador to Washington, made the following statement to his Government:-

The news that the Vatican has agreed to the establishment of diplomatic relations with Japan has caused considerable disillusionment in political circles here; this is, however, not surprising in view of the constant propaganda campaigns which have been carried out for some time both in official circles and the press according to which the United Nations are portrayed as the defenders of the principles of Christianity.

It is maintained that Japan, even more than Germany, represents those principles which are described as the anti-Christian deification of the State, while it is added that Japan has persecuted the Catholic Missions and the Catholic religion for many centuries - naturally no mention is made of China and Russia.

The statement made by the Archbishop of New York, Dr. Spellman, to the effect that the Holy See should take advantage of every opportunity, by means of diplomatic relations, to establish direct contact with the Catholics of every country is also recalled as coming shortly before the event in question.

The fact that there are important Catholic groups in much of the territory conquered by the Japanese, justifies the Vatican's action, according to some newspapers, although they add that it would be a grave and sad error were the Vatican to have agreed to the establishment of diplomatic relations on the assumption that these conquests are of a permanent nature.

Moreover it is remarked that although the Church's policy is notorious for being able and farsighted, this point is disputable in view of the difficulties that arose in the Catholic world after the war of 1914-1918 because in Vatican circles it was believed the Central Powers would be victorious.

Equally they add that the Vatican's reserve with regard to the conquest of Ethiopia and the civil war in Spain was not justified by subsequent events.

Although there is no excuse for statements of such a biased nature, they are not surprising if one takes into account the efforts of the Allied powers, particularly the United States, to bring the Holy See to adopt an attitude hostile to the Axis and to support the so-called democracies, representing them as well as their Allies, including Russia, as the defenders of religious liberty...."

He then quotes a statement made by President Roosevelt at a recent press conference to the effect that it is only through their Christian faith that the American people will be able to conquer "the black forces of paganism which today threaten everything dear to us...." and comments:



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May 20, 1942

It has been learned from a most secret source that on April 2, 1942, JUAN F. DE CARDENAS, the Spanish Ambassador to Washington, made the following statement to his Government:-

After describing the formation of the Pacific War Council in Washington, he comments as follows:-

"It is obvious that the war in the Pacific will now be carried on much closer to the United States than to England, consequently it is only logical that the organising body mainly concerned with it should be established in Washington, which reason it is said finally overcame the opposition of the British Government towards the plan carried out now.

From all this, many people here deduce that the new Council will take precedence over the one which has for some time been functioning in London to the same end. They point out that previously, in order to carry out war operations in defence of British possessions such as Hongkong and Singapore, it was natural that the English capital should be the centre whence matters relating to the defence of the Pacific were dealt with, but that at the present moment, as is obvious, the position has changed and consequently Washington must now take pride of place.

It is not at present known to what extent the above considerations will affect the situation but the President at one of his Press Conferences in answer to reporters' questions declared that the Pacific War Council would act in agreement with its opposite number in Great Britain and that its functions would be advisory. He also added that India did not figure in the Council as her coasts did not border on the Pacific.

The importance of the Council to the Pacific war will depend on the importance of the decisions taken and on the effectiveness with which the latter are carried out, these being, of course, aspects which are unpredictable.

It is stated that at the moment Australia is anxious to take part in the General Staff Meetings which are taking place in Washington, under the Presidency of Mr. Roosevelt, and in which only American and British representatives are present."

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May 20, 1942

It has been learned from a most secret source that on March 23, 1942, JUAN F. DE CARDENAS, the Spanish Ambassador to Washington, D.C. made the following statement to his Government:-

After reporting on the different aspects of U.S. production of war materials, its administration and the various inherent difficulties, his material being taken from published sources, he sums up as follows:

"When the incomplete and scanty data at our disposal have been sifted, definite and accurate figures not being published, we may well ask what is the exact position of the United States in the matter of production of war materials.

By studying various publications and looking up isolated references it is possible to arrive at approximate conclusions on certain points, which may perhaps to some extent allow us to form an opinion as to what has been done up to now in this matter.

It seems that the production ceiling proposed by the President in his Message to Congress...has not been reached during the first three months of 1942. They say that the lost ground can be recovered but to bring that about production will have to be speeded up and all existing obstacles swept away quickly and decisively; industry must be converted for the manufacture of war materials without regard for civilian needs.

Moreover it is possible that the plans agreed upon will have to undergo modification as suggested by military operations according to the results that these operations achieve, and all this will mean loss of time and increased confusion about what needs to be done first.

From the figures it has been possible to compile the following data, which are more or less concrete though subject to possible rectification:

Aeroplane production: It is said to have reached considerable proportions and that the transformation of the large motor-car factories for the production of aeroplane engines has been carried out very efficiently. At present production of aeroplanes stands at over 3,000 a month, but it seems that the goal of 45,000 this year, of which not more than 25% would be used for training purposes, will not be reached unless the output is increased considerably.

Tanks: Here too the desired production figures have not been reached. Mass production of heavy tanks is beginning now, and now only, if we consider that the first tank in this class was delivered on December 8th, 1941. Production of medium size tanks is fairly well advanced, plans for expanding this type of manufacture having progressed more quickly than was expected. Reconnaissance tanks were being produced in considerable quantities even before the U.S. entered the war, and output has decreased slightly at the moment as producers are concentrating mainly on the other two types.

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Anti-aircraft guns: Production is only just beginning and is far from reaching the desired scale. Apparently the lack of suitable tools is the chief difficulty in this respect.

Merchant ships: Output stands at one per day, which is about 300,000 tons a month and is a long way from the ceiling proposed, which it is said will now have to be not 8,000,000 tons but 9,000,000. To achieve this output, production of merchant shipping in the nine months left in this year will have to jump to 900,000 tons a month, i.e., three times what it is at present.

From the sketchy outline I have drawn for you, we may definitely assume that as yet the United States is not producing war material to the full extent of her capacity.

It is equally obvious that everywhere considerable confusion abounds, and this is the long-standing weakness of this Federal Administration. This defect has always been remedied by the spending of vast sums of money in developing the services, but naturally at a time like this, when war requirements are pressing, it is more in evidence than usual.

It can also be said that once this country succeeds in overcoming the obstacles which still exist, armament production will reach prodigious heights, as this country's industrial potential is well-known.

In any case it must be considered probable that in the more or less near future a considerable degree of efficiency will be reached in this respect,

Whether this will be sufficient to surpass or not the resources at the disposal of the U.S.A.'s opponents in the war: whether the U.S. output can be utilised in time, or whether the armies which are to make use of this material will have had the necessary training and will possess the indispensable amount of morale, as well as whether the various General Staffs will be found to possess the necessary strategic ability, or whether the muddled policy of the Allied Nations will interfere with the conduct of the war causing irreparable damage - all these are questions which cannot be answered here since on the one hand they depend upon a series of comparative data which we do not possess and on the other hand they are bound up with a number of circumstances the very existence of which and the extent to which they may influence the final result of the war, time alone can show."

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May 20, 1942

It has been learned from a most secret source that on February 18, 1942, JUAN DE CARDENAS, the Spanish Ambassador to Washington, made the following statement to his Government:-

After referring to the change in public opinion which took place in the United States after the fall of Singapore, prior to which event confidence in ultimate victory had been absolute, he states:

Lately these sentiments have undergone a considerable change, and articles and reports have appeared in the press pointing out that the United States might lose the war. According to many people, this campaign was set in motion in order to influence public opinion by bringing home to it the gravity of the situation, and preparing it for possible future successes by Japan and Germany in the military and naval operations, and also to convince the public of the necessity for sacrifices which will have to be demanded of them on a daily increasing scale in the course of the war.

Side by side with these statements there have appeared criticisms of the British who are blamed in various ways for what has just occurred.

Such protests have also been made by American citizens coming from the Malay Peninsula who said that the English did not trouble enough about them when the civilians were evacuated from that area.

The general criticisms, however, refer to the lack of preparation and strategic ability of the British High Command in Singapore, and also to the shortcomings of the colonial officials who, it is said, obstructed the military on many occasions causing delays of which the results were disastrous.

But at the same time the gravest criticisms were directed against the British Prime Minister Mr. Churchill, of whom it is recalled that when he was in Washington recently he advocated that every effort should be concentrated on defeating Germany asserting that anything else must be left to its fate. As a result of this erroneous conception, these critics continue to assert, Singapore could not be saved and while in the British Isles large contingents of troops are immobilised the overseas fronts lacked the most necessary forces for their defence.

Mr. Churchill is also blamed because the Anglo-American coordination services established since his conferences with Mr. Roosevelt are not functioning as they should do, since Churchill continues to pursue his own war policy without bothering about the cooperation which is considered so necessary.

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Lastly, some also criticise Mr. Churchill for the statements contained in his broadcast speech when, emphasising the importance of the United States' entry into the war he said that he had been working steadily to bring about this result.

Those who put forward this criticism accuse the British Prime Minister from his own utterances, of having plotted to drag America into widespread, expensive and difficult hostilities whose result is uncertain whilst in his earlier speeches he affirmed that he did not ask this country for men but only for armaments and provisions.

This divergence between the statements and intentions of this British statesman has been clearly shown up in some periodical publications, with obvious damage to his prestige.....

Besides the criticisms previously mentioned there are others levelled against the United States Government which.... can be classified as follows: military operations; organisation of the administration; war production; labour questions; and publication of news.

The disappointment at the result - so far disastrous - of the military operations is being voiced in the form of criticisms of past deed and of the present, apparent inaction.

Many are asking why no reinforcements are sent to the American troops fighting in the Philippines; why the American Air Force is not fighting more efficiently in the Pacific and why their Fleet in the Atlantic has been unable to hinder or prevent action by enemy submarines which have sunk a good number of merchant ships and have carried out attacks on the island of Aruba, the first of the territories of this hemisphere to be attacked in the present war.

These events and faults have made a great impression on the country and have given rise to the protests already mentioned which on the other hand are not absolutely general, as there are writers and newspapers which refrain from making them; on the contrary they give more or less convincing reasons to explain what has happened, stating at the same time that at the opportune moment when the necessary preparations have been completed, the American armed forces will go into action in such a manner as to realise the hopes of the most optimistic.

There are also not lacking critics of the Administration's war organisation, and these critics are to be found in the groups opposed to the Democratic Party and even within the party itself among those who object to the personal politics of the President.

The President is accused particularly of not being able to free himself from his party prejudices at the present moment, when the services of all the most able and efficient men in the United States should be utilised in the interests of the country regardless of their political creeds.

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It is argued that Mr. Roosevelt opposes the nomination for government offices of all persons who are not included in his political group or are not his personal friends.

It is true that for certain posts connected with the production of war materials persons of recognised industrial ability have been appointed, but it is stated that they are subjected to continual interference of a political nature which makes their work difficult.

In the same way there have been protests, including that of Congress, in regard to the Office of Civil Defence, that is to say, the department engaged in organising suitable precautionary measures for passive protection in the event of air raids, of which the Mayor of New York, Mr. La Guardia was Director and Mrs. Roosevelt, the President's wife herself Deputy Director. She had appointed a professional dancer to be in charge of the Physical Culture Section. The three persons mentioned have resigned as a consequence of the complaints which had revealed the confusion existing in the department mentioned and in its administration which may be called extravagant.

There is criticism also of the disorganisation which exists in various central Agencies and the curtailment of the functions of certain others, of the State Department in particular, which in matters concerning economic warfare, has been deprived of many of its former powers.

These remarks apply also to the production of armaments and munitions, which was placed finally under the direction of one man, appointed by the President, Mr. Donald Nelson, who has in theory wide powers, but who also suffers, it is stated, from much political interference. A separate report has been made on this aspect of the production of war materials in view of the importance of the subject.

The attitude of the workers, or rather of the directors of the labour organisations, is also a matter that has been criticised by many sections of opinion.

It is true that there are not now so many strikes, which formerly were frequent, although they have not entirely disappeared, but the workers continue to voice their demands and these generally have to be satisfied in view of the circumstances.

Mr. Roosevelt has set up a Council under his chairmanship, composed of representatives of the two most important Labour organizations and of the employers, to consider the possibility of establishing a stable regime for relations between capital and labour so long as special war conditions last. This body is already functioning but no solution has yet been reached, it being therefore better to suspend judgment on it until the results of the negotiations are known.

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But where criticism is most general is in regard to the dissemination of news. The news so far has been published in a completely truncated form, the facts being disfigured and the truth even falsified in many cases. It was with good reason that one paper said that the magnitude of the Pearl Harbour disaster only became known here through Mr. Churchill's broadcast speech, when he said that the power of the United States had been raised to the ground by that first Japanese attack.

What is happening need cause no surprise, because within the administrative disorder of the Federal organisation, this is the point on which there is most confusion. Certain central organisations have been established to deal with this matter, and while they will certainly meet a real need they will be bound to tread on each other's toes thus inevitably creating confusion.

There is a Central Office for the co-ordination of news under Col. Donovan, a personal friend of the President and his emissary on various occasions. There is another centre called 'Office of Government Reports,' whose functions have not been clearly defined, and lately there has been set up the so-called 'Office of Facts and Figures,' of which Mr. McLeish, who is also Director of the Library of Congress, has been appointed head. All these centres are directly under the President's authority and although apparently the last one mentioned is to be above the others, the extent to which the others are subordinate to it does not seem to have been clearly determined.

The said 'Office of Facts and Figures,' according to what was said when it was established, is to have the special duty of issuing information to the public and keeping up its morale, though it is said to lack proper cooperation from other branches of the Administration.

Besides the centres mentioned, it should be pointed out that each State Secretariat or Ministry has its own press services, as have also the offices of the President of the Republic.

The confusion which all this entails is readily understandable, contradictions in the news reports published being of frequent occurrence - inexactitudes as between some reports and others and sundry complications which have led to the criticisms referred to above, which in this case are general, as has already been stated.

The State Secretaries, for their part, have been making speeches without in any way taking into account the general policy of this country; for instance, the Secretary for the Navy, Mr. Knox, speaking recently in Chicago, stated that he considered Germany the chief enemy of this country, adding that the struggle against Germany should come before all other demands. Such statements caused alarm and concern in Australia and New Zealand as well as in the Chinese Republic. Recently it has been said that the 'Office of Facts and Figures' has been empowered to censor such speeches before they are delivered in public.



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MAY 20, 1942.

It has been learned from a most secret source that on February 3, 1942, the Spanish Ambassador to Washington made the following statement to his Government:-

".....Public opinion in the States is still completely at sea as regards the military operations to be undertaken in the near future by North American armed forces on land, on sea, and in the air; that is, the immediate objectives of the conflict are really unknown.

It will be remembered that it was said that the British thesis sustained by Mr. Churchill in the conferences he had here was that the chief enemy of the Allies, and the one who should first be dealt with, was Germany, it being necessary to subordinate everything to this purpose as the remaining powers fighting for that country could be easily conquered as soon as the power of Herr Hitler had disappeared.

It was considered certain that this theory was opposed by the American view, which, while not denying the importance of Germany as an enemy, maintained that an attempt should be made to defeat Japan in the Pacific Ocean and the Far East, considering that if the latter succeeded in gaining possession of most of the strategic points in these regions, it would subsequently be difficult or impossible to dislodge her.

It was stated later that the North American view had prevailed, but on the other hand there were many who thought the opposite, such an opinion being apparently supported by some declarations made by Naval Secretary Knox maintaining the ideas of the supremacy of what he called the German menace.

The recently published news announcing the arrival in the North of Ireland of contingents of the U.S. Army also seemed to support this point of view.

.....

In spite of what I have just said on the principal immediate objectives of the war, it is certain that the U.S. Government is extraordinarily preoccupied with events in those areas where the Japanese are operating, which shows that either the preponderance of the British opinion at the time of the conversations between Mr. Roosevelt and Mr. Churchill did not prevail as some people said, and the contrary view was adopted, or else there was a change of opinion on this point.

On the other hand it can not be doubted that the significant and resounding victories of the Imperial Japanese forces in the Far East must have made a deep impression here in military and naval as well as political spheres.

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It is also certain that opinion here must have been influenced by the calls for assistance that reached Washington from the Governments of Australia and New Zealand, which consider their territory to be in imminent danger.

It is known that a very bad impression was made on the latter by the aforementioned declarations of the Naval Secretary here, Mr. Knox, and it is considered certain that these governments desired the formation in Washington of a Council to direct the war in the Pacific and the Far East, a body in which they wished to be represented on an equal footing with North America.

Similarly it is said that the Government in London is opposed to such a plan, understanding that by means of it the Dominions in question would become even more independent of the old Metropolis, and doubtless also for fear of future North American actions in regard to them.

....."There appears to be a certain dispersion of war aims that merits some criticism that has not appeared in the press, but is circulating in different parts of the country.

These compare the war aims of the United States with those of the Soviets in a manner that is not without interest, as can naturally be appreciated in the present circumstances:

Those who make these criticisms say that the United States have a National policy but are trying to carry on a world-wide war, whereas Stalin, whose political aim is world revolution, concentrates his military operations on one concrete object, i.e. his war with Germany.

The reason for this anomaly is, they maintain, that the Communists are perfectly aware that the more the war is prolonged and extended, the more possibilities exist for the realization of their projects everywhere, and with this object in view they wish to keep their revolutionary forces concentrated while awaiting the favourable opportunity to expand which they believe is bound to present itself with the inevitable consequences of disorder and misery that long hostilities produce. So that the obvious conclusion to be deduced from such a situation is that the United States with their plans for universal war to inculcate the so-called democratic ideas, are definitely acting in the interests of Marxism."

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May 20, 1942.

It has been learned from a most secret source that on February 17, 1942, JUAN F. DE CARDENAS, the Spanish Ambassador to Washington, made the following statement to his Government:-

"Recently news has been circulating in regard to the attitudes of Russia and China in the near future, which, though so far merely consisting of rumours as yet unconfirmed, clearly shows that there is no complete certainty as to the future policies or possible actions of these two countries, allies of those which continue to describe themselves as democracies.

The reports concerning Russia express discontent on the part of the Soviet rulers with present war conditions, and they also reveal the intentions and aspirations of those rulers, as well as the possibility that if things do not change a separate peace with Germany might be arrived at.

The aforesaid reports relate specifically to the following three main points: the need for a new front to be opened by the Allies; increase of assistance from North America; advantages to be obtained after the war.

Regarding the demand that the Allies attack Germany at some point in Europe in order to relieve pressure on the Russian front, much has already been said on several occasions, but up to the present the Allies have not been in a position to take any action.

At the present moment the matter comes up again in a more acute form, in connection with the rumours in circulation regarding a German Spring offensive in Russia it being feared that the Soviet forces will be unable to resist.

The question of aid to Russia is that causing most concern here, being apparently the principal cause for complaint and reason enough in itself, according to the reports I receive, to occasion a change in Russian policy.

It is admitted in this country that the war material sent to Russia is below the quantity that had been promised - as much as 50% lower according to published reports, from which it may logically be deduced that the deficit is even greater.

There are various reasons for this failure to fulfil the agreements made in Moscow when the American commission went there, the principal one being the needs of the United States herself since she entered the war. It seems that the Russians meet this argument by pointing to the fact that Britain herself, in spite of her own urgent requirements, has sent Russia all the war supplies promised.

Another reason given for the deficiencies referred to is the enormous distance to be traversed, the lack of ships, the



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Nothing is known for certain in regard to all these extreme conditions nor whether the last mentioned are new ones which Russia would insist on as the price of continuing to fight were she to achieve important victories against Germany, it being possible that this last contingency may not arise and that there may be therefore no chance to verify this particular point.

Beyond the conditions that have been stated, there is another aspect of the Russian question which is of special interest to the United States and this is the matter of relations between Russia and Japan, in which the United States naturally wish for collaboration from the Soviets against the Japanese.

All sorts of arguments are devised here in order to demonstrate the need - even the advantage for the Soviets - of joining with the U.S. in attacking the Japanese Empire, and even the advantage to her in doing so, the principal of which arguments being that if Japan gains definite advantages from the present campaign, she will at once attack Siberia, in which case the Communists will be placed in an impossible position, whereas now, if the U.S. could send air forces to that territory it would be easy to attack Japan directly, thereby scoring a decisive victory.

These reasons do not seem as yet to have convinced the Soviet Government which continues for the present to maintain its neutrality in regard to the war in the Far East.

Furthermore, it has recently been said also in regard to the relations between this country with Russia that Stalin was resentful of its failure to nominate a new Ambassador in good time when Mr. Steinhardt, who occupied that position, left Russia for Turkey.

This point has recently been settled, however, by the nomination of Admiral Stanley to be United States Ambassador to Moscow.

This officer of the United States Navy was in Moscow at the time when the Commission from this country went there and it said for this reason that he specially qualified for his new post, being at the same time a highly competent person having been also a member of the Committee which investigated the occurrences at the Hawaiian Islands.

As far as China is concerned, the present anxiety here arises principally from the Japanese advance in Burma, which may cut the lines of communication whereby armaments are sent to China, forcing her to surrender.



June 1, 1942

No. 570

8:30 a.m.

**MEMORANDUM FOR THE PRESIDENT:**

**FROM: William J. Donovan**

The following is a memorandum, from someone whose name I do not know, which summarizes her conversation with Mme. Petrova, Litvinoff's secretary. Our informant states:

"I dined last Friday, May 22nd, with my friend, Mme. Petrova, at the Soviet Embassy. The Ambassador and his family were out. Mme. Petrova is part of the Ambassador's staff and household and always has her meals with the family.

"I was 'cross-examined' about Turkey and Turkey's attitude toward Russia. Kerch had fallen and Mme. Petrova told me how serious this was and that everyone at the Embassy had felt very depressed at the news, while the progress around Kharkov meant little to them, on the other hand. She was in a bitter mood that evening and said that everyone in this war looked to another country to do their fighting for them; that England made far too many speeches while America thinks that by giving material aid she is doing her share. What Russia

lacks and needs is ships and convoys as well as the immediate opening of a second front. Mme. Petrova admitted that it was not fair to appear ungrateful since lately everything that Russia demands under the Lease-Lend Bill has been given, except sufficient ships and that, as well as a second front, is imperative. To use her own expression, 'the complacency and smugness of America is beyond all comprehension.' She added that were it not for the President, whom they consider as a very sincere man and as the only man who has a full understanding of the Soviet situation, they would all be very discouraged. They are obviously very conscious of the hostile element in the U. S. but she reiterated, that they have faith in Roosevelt and in his desire to help.

"She expressed regret at not being able to disclose to me the secret negotiations which were going on between the American Government and her Ambassador but which, however, would be made public in a few days. Should the plans now under discussion prove to be practicable, then Russia would be fully satisfied.

"She harped again on the fact - and this is the general feeling in the Embassy - that the radio commentators and newspapers in America exaggerated very much the Russian victories.

"She talked at length of the starving condition of the Russian people. Referring to the constant rumors about the possibility of a separate peace, she attributed them to Axis propaganda. The Russian people have undergone so much suffering on account of the war and are so enraged at the atrocities committed by the Germans behind the lines, of which the Soviet Government have kept them closely informed, that their hatred of the Germans is intense and mounting steadily. Even Stalin, with all the influence which he wields, couldn't if he wished put it over. Careful and detailed records of all the atrocities are kept for future settlement, but in spite of all the above, Mme. Petrova did say 'Of course, history is there to prove that any nation faced with starvation may be driven to make peace. Americans could stand several winters of war, but the people of Russia could hardly face another such winter of starvation.' Much, of course, depends on the events of the next few months and on the amount of aid Russia may receive in time. For the moment, Germany is having the upper hand and all the talk one hears of Germany being on the verge of revolt and disunited should be discounted.

"She brought up the question of Browder and said that his release was certainly intended to please American Communists

and not Russian Communists who don't care a rap what happens to him. The Embassy did not move a finger in his behalf and her Ambassador had more important things to do here in America. The release of Browder did not help to solve the war problem and Mr. Litvinoff's job in America has nothing to do with Communism. Incidentally, she finds American Communists very superficial, so different from the Russians, and, in fact, looks upon them with mild contempt.

"Mme. Petrova says that Russia will not be in a position to impose Communism on other nations after the war. Russia will have plenty to do feeding her population and restoring her ruins. It seems her associates in the Embassy were horrified at the unfavorable sensation the President caused when he suggested \$25,000 as the maximum income. She repeated that, unfortunately, the dream of democracy today was to win this war with their money and let others do the fighting.

"Mme. Petrova avoided all discussions referring to the Pacific and Indian situation."

No. 572

June 1, 1942

6:00, P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

I have just received the attached memorandum entitled "Egypt and the Fight for Victory" from a confidential and reliable source. I am advised that the memorandum was prepared by Mohammed Sirag-el-Din, Commercial Attache at the Egyptian Legation, and that in general the Egyptian Minister approves of its tenor.

MEMORANDUM

Egypt and the Fight for Victory

Egypt as a democracy and an ally of Great Britain wishes heartily, and does her best, to help the democracies to win victory. In spite of her non-belligerency, which she considers for the time being the best way of assisting Great Britain, she is actually making a great effort to render, within her boundaries, every possible aid to the British, such as facilitating communications, producing raw materials like cotton, flax and food products, and safeguarding the rear of the British Army.

In my opinion, Egypt can take greater part in assistance if she has the means and facilities. First, she can mobilize a great army if she can obtain the necessary arms and munitions. Second, she can render valuable moral services, which are as important in achieving victory as is military aid.

Military Assistance

On December 2, 1941, Prime Minister Churchill declared to the House of Commons that England will face a crisis in shortage of manpower during 1942, and he asked that the draft limits be extended to include men between the ages of 18-1/2 and 50.

Egypt could do a large part toward solving this problem, as she can mobilize around half a million or more men if need be. If she has the equipment and facilities to prepare such a large army, she can protect herself without the aid of any foreign forces. In addition, she can guard the Anglo-Egyptian Sudan and other territories which are considered barriers against attack from the outside, such as Palestine or even Abyssinia, if this is considered helpful. If this could be arranged, all or part of it, the British forces in those territories could be released from duty there to be sent to other fields where they are vitally needed. It is conceivable that the existence of a trained Egyptian army might obviate the necessity for, or at least reduce the necessary size of, an American Expeditionary Force in Egypt, if that contingency should arise.

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E.O. 11652, Sec. 3(E) and 5(D) or (F)  
CIA #r 11/27/74  
By ABJ Date DEC 4 1974

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I wish to emphasize here that the Egyptians will be very glad to join the army for the protection of their country. Moreover, let me make clear that all of the Egyptian people realize that their future depends on the future of the British. They know that if the British and democracy win this war, then their country will be saved and their independence will survive; while if the British lose, the freedom of the Egyptians will be jeopardized.

It seems obvious that since the United States of America and the other American Republics have entered the war, it is now in truth a World War - and every other country which has not yet gotten into the war will come to it sooner or later. It seems not only reasonable, but imperative, in view of the course of the past few years, that such countries prepare themselves before it is too late. The spirit of democracy demands that every country have the right to protect itself - and common sense requires that every possible aid be given these allies of the democracy, so that they may strike a blow for themselves and for freedom. It is the more urgent in the case of Egypt, close as she is to the top of the invaders' list!

In addition to military manpower, Prime Minister Churchill stated to the House of Commons that additional manpower will be required for use in the additional factories and plants which must be set up. If it were considered sound from a technical standpoint, Egypt might assist in this field through the establishment of industrial plants to utilize her raw materials - cotton, manganese, iron, etc. - as well as to take advantage of the abundance of her available manpower. This would provide a means of easing the problem of shortage of manpower.

Moral Assistance

It is obvious that the Middle East front is one of the decisive in this war, and it is therefore necessary to win the help and cooperation of the Middle East countries to assure victory for the democracies. This phase of assistance could be rendered by Egypt

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through the Arabic speaking nations and even through the whole Moslem world. The feeling of these countries toward Egypt is undeniable; it has grown since the last war, especially after the decline of Turkey's position as a leading Moslem country. It is fortunate that friendly relations between Egypt and Great Britain have been established while Egypt has obtained spiritual leadership among these countries. The understanding of this fact and willingness to make use of it at the present time is of great importance. We must not lose sight of the fact that this war should be fought not only with armed forces, but also by mobilizing all nations spiritually and morally. This can be achieved through the right people and leadership.

Because of present Axis propaganda in these countries and the many disputes in the past between them and Great Britain, it would be advisable that such a plan be carried out not by Great Britain itself, but by one of her own group, which could only be Egypt by reason of her leadership. The Arabic world extends from the borders of Turkey in Asia to the shores of the Persian Gulf, and from the shores of the Atlantic Ocean in Morocco to the sources of the Nile in Middle Africa. I might also add that any action taken by these nations would guide the whole Moslem world in every corner of the globe and could prove very helpful in easing the Indian problem which faces the British empire. From my recent contacts with some of the <sup>Indian</sup> Moslem leaders I got the impression that they look to Egypt as an example and guide in their future, particularly with regard to their political problems; and that because of Egypt's alliance with Great Britain, they were inclined to welcome a factual agreement with Great Britain. It is quite apparent that the guidance and spiritual influence of Egypt will be very helpful in solving such problems. It will also help counteract the Japanese propaganda going on among the Moslems in the Far East in Malaya, China, etc.

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It seems hardly necessary to mention here the strong efforts which the Nazis are making to influence the Arabian nations through certain personalities hostile to the British, such as Hag Amin Al Hussein Mufti of Jerusalem, Rashid Ali Gailani, ex-Prime Minister of Iraq and some other less important individuals like Younis Bahari, the Berlin radio announcer. It is urgent that the democracies act immediately to counter the growing Axis propaganda, lest there be more intrigues like that which took place in Iraq last May.

Suggested Plan

The prevailing idea of unity among the Arabic nations seems to be difficult to achieve at present and the subject requires more study and consideration, but I believe that in order to carry out our plan of moral assistance it would be advisable to organize at once a kind of committee or council of these countries under the guidance of Egypt.

This council could be given the title "The Advisory Council of the Arabic Nations" or some other name suitable to express the aims and purposes of the plan. This council should have its headquarters in Cairo, Egypt, and each country should be represented. The number and period of service of the members and other rules and regulations would, of course, be formulated in mutual agreement. Besides the regular meetings of this council at its headquarters, annual or semi-annual meetings could be held at the capitals of the different countries.

The work of this council would be to develop the following aims:

1. Cooperate with each other to defend the political status and independence of each country, as well as assist in attaining their legal rights.
2. To assist in harmonizing the various interests and policies of these countries and to settle any disputes which might arise among them.
3. To study and conciliate the mutual intellectual, economic and commercial interests of all of them and to help satisfy the needs of each country, which in general would create a kind of intellectual and economic unity.

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4. To act in unison with all supporters of freedom and defenders of democracy, as it is obvious that the spirit of the Mohammedan religion, which is the dominant faith of these countries, is democratic - freedom and fraternity for all. Anyone familiar with the teaching of the Mohammedan religion knows that this religion is essentially democratic in spirit. The close friends and disciples of The Prophet are known for their strictly democratic rule and therefore when anyone speaks of a Moslem as being fanatic, he is automatically qualifying him as democratic.

The adoption of such a plan by these nations would certainly help to further the end toward which the democratic world is now moving - complete unity - for these nations as a group will form part of the whole democratic world unit.

As a matter of fact the Agreement of the 26 Nations which has been reached recently is just a cornerstone of the huge new building of The Democratic World of the future. Other stones must be added until the building is complete, so that humanity may feel safe for centuries to come. The plan mentioned here will not only add another stone to complete this edifice when it adds the support of all these Arabic Nations, but it will also encourage the other Arabic Nations who are under the domination of the Pro-Axis powers, such as French Algeria, Morocco and Spanish Morocco, to act and support by all possible means the purpose of The Democracy.

I am sure that the ARABIC NATIONS will be more than glad to join with Egypt in supporting such a plan, which will help them to protect themselves from the domination of the Axis powers.

Furthermore, not only can this plan have practical, immediate value in the improvement of conditions in these nations, but it can serve as a guide, as a sort of test case whose workability can be observed, in smoothing out the road to achievement of the larger ideal of International Unity.

I wish that this suggestion kindly be considered favorably, and I am sure that the Egyptian people and Egyptian leadership will be enthusiastically disposed to assist in achieving these aims.

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No. 573

June 1, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Here is a memorandum on German Refugee Groups in New York, which was written by a former Swiss citizen who desires that his name be withheld. The Swiss himself is not associated with any refugee group.

"The German refugees from Nazi Germany form a very diversified and heterogeneous crowd of people, but the numerically small minority that carries any political weight can be described and classified more readily.

"Three observations serve as a guide:

"(1) Practically all of the groups and individuals who are politically active or who are of political significance are concentrated in New York. As soon as one gets out of New York, one finds that the refugee scholars that are scattered in the universities throughout the country have almost no contacts with refugee groups or organizations. Even men like the former Chancellor Heinrich Brüning at Harvard wish to have as little to

do as possible with German refugee activities. They want either to be pure scholars or to merge completely into the American scene. An exception may have to be made for Hollywood, although the group of prominent literary and artistic figures assembled there seem to play no political role. That is said to be true even of Thomas Mann.

"(2) Among the groups in New York, one can find representatives of every shading of left-wing doctrine and political affiliation which existed in the German Republic. Everything, therefore, from moderate liberals to extreme Communists is found. The Center and right-wing groups are hardly represented at all. By far the majority of those who can look back on a political career or reputation are Socialists of one shading or another. This left-wing and Socialist background should be kept in mind even when one is dealing with groups or individuals that are utterly sincere in disclaiming any political intentions or activities. When, for instance, one considers their judgments of other men in political life or their opinions about the post-war settlement, even though it be scholarly and objective, it is good to remember what their political bias is. To give only one example, practically all of them are in favor of a future European federation, although they know that this will give Germany a position of at least economic predominance. But they advocate this for no nationalist reasons. They are convinced

that the future Europe will be Socialist, that it will be organized along economic, not national lines, that it requires central planning over a large area and that the small nations are doomed anyhow. This and many other theses belong to the traditional German Socialist doctrines.

"(3) There is, for obvious reasons, a tremendous numerical predominance of the Jewish element among the German refugees. It is not as great among the men with political background. But it is, nevertheless, important to remember that Jewish influence was strong among the leftist groups in Republican Germany and that it is probably much stronger among the groups in New York today.

"A distinction can be made, although the line of demarcation is not always clear, between groups that are not political and others which have some political purpose."

"A. The Non-political Groups

"Most important among them are naturally those concerned with refugee problems such as financial aid, employment, or adaptation to American life. The Immigrant Conference, headed by Professor Paul Tillich of the Union Theological Seminary, attempts to hold these groups together for common purposes. Professor Tillich is one of the most highly respected leaders among the refugee scholars. Although a Socialist himself and one-time

leader of the religious Socialists in Germany, he keeps out of all of the political groups.

"The most important newspaper published by and for the German refugees in New York is Der Aufbau. It is said to have no particular political bias. The editor, Mr. Manfred George, is a Socialist from Berlin. Some of the collaborators, like Professor Gumbel, are very fanatical anti-Nazis. The paper is financed and backed by the New World Club, a Jewish organization.

"Some groups are devoting themselves entirely to research. The most prominent of these is the New School for Social Research, which has established an institute for research composed of remarkably able refugee scholars, mainly economists and jurists, most of them Socialists. Professor Hans Staudinger, head of the organization, held a leading position in the Prussian Civil Service under the Republic and in the Socialist party of Prussia. The Institute devotes itself entirely to the assistance which it can give the American government and American war effort. It wishes to steer clear of any affiliation with future German politics. Staudinger himself claims to have no intention of going back to Germany.

"Perhaps one should mention the movement for Educational Reconstruction in this connection. Its chief promoter is Dr. Reinhold Schairer, the former head of the German Student Service, and now a British citizen. Schairer and other refugees

interested in this enterprise disclaim any political purposes. Professors Kotschnig (Smith College) and Ulich (Harvard) support the idea of Educational Reconstruction; they are both well rooted in the life and educational interests of this country."

"B. Political Groups

"(a) Free Germany, headed by the former Prussian minister, Grzesinski, is the most active and unmistakably political group. It is composed exclusively of former members of the Social Democratic party. It publishes its own paper, the Volkszeitung, edited by Mr. Seeger. This group is anything but representative. Not only is it exclusively Social Democratic, but it is formed only of a small part of the Socialists, the men clinging to the old party line and official doctrine of the party. Most of its members seem to have been connected with the party machine. Many former leading Socialists refuse to be associated with it because they do not believe that the old party can be restored in Germany or can hope to gain political support enough to enable it to return to power.

"(b) The American-German Emergency Council, headed by Mr. Kurt Rosenfeld, is trying to obtain the support of other groups for the formation of a broader political coalition. Its chances of success, however, seem to be slight. Rosenfeld represents the left wing of the former Social Democratic party, which

Tracy of Economic Research  
Institute (2nd Floor)  
inferred in this enterprise site  
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stood somewhere between the Socialists and Communists.

"(c) The American Friends of German Freedom is headed by Professor Reinhold Niebuhr of Union Theological Seminary. Its activities lie in the hands of Paul Hagen (alias Dr. Paul Franck). Its purpose is to help the underground movement in Germany and to appeal to German labor. It also publishes the excellent bibliography, In re Germany. The controversy about Mr. Hagen is likely to continue. Some distrust his alleged connections with the underground movement; others object to him because he was a Communist or "fellow traveller" down into the early thirties. But those working with him are convinced of his sincerity. He appears to be a revolutionary by nature, but is credited with doing an excellent job.

"(d) There exists a small Catholic group representing left-wing members of the Center party. Mr. Bernsprung, a former member of the party, Mr. Thormann of the Christian Trade Union, and Miss Anna Seelig, who was formerly associated with Chancellor Wirth, are active in this group. They appear to be working on plans for a new Germany. In this research they have the cooperation of groups on the left and on the right. A Baron Putlitz represents conservative opinion, while Professor Staudinger, Mr. Anhauser of the Social Democratic Trade Unions, and others represent Socialist opinion. Whether this cooperation points

SECRET OR CONTROL: HIGHLY CONFIDENTIAL  
"C" AND AMERICAN EVIDENCE  
THAT COMPARISONS BETWEEN THE SOCIETIES

the way toward some kind of coalition of all Republican parties and movements that might some day become important for the future government in Germany cannot as yet be said. It seems at present to be a loose consultative grouping of men with moderate political views and good political reputation. It should serve to balance to some extent at least the one-sided and more active Socialist and Communist groups.

"(e) A number of Communist groups appear to exist. No names of any reputation were found among them. The majority of active members are writers, artists, and impoverished literati. Much of their activity is camouflaged and appears as non-political cultural enterprise. One such organization is called Die Tribune.

"(f) No conservative political groups were discovered. Whether any are being formed around like men as Hermann Ranschning was not known. Prince Loewenstein, a conservative Catholic, may have a group of his own. It is generally believed that Dr. Heinrich Brüning has no connection with any such group. Economists and bankers with "capitalist" leanings, like Jeidels, Stolper, Jakob Goldschmidt, are not regarded as political figures. No financing of any political groups was discovered."

No. 574

June 3, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

Here is a summary of a report which undertakes to develop the significance of German manpower losses. The permanent losses from June 22, 1941 to April 1, 1942 are estimated by the J. I. C. at approximately 1,200,000. Our study has undertaken to show the significance of these losses from a military and an economic standpoint.

The military significance we believe may be summarized as follows:

1. Since the offensive against Russia, which Germany maintained for the first six months of the war, required a spearhead of young, vigorous and aggressive troops, and since it was mainly from the classes which came of military age in Germany after the re-introduction of universal training in 1933 that these troops must have been drawn, it appears probable that as many as a million of the permanent losses fell in the age group 21-32 years.

2. Taking account of a slight net accretion, the total number of Germans aged 21-32 fit for military service may thus have fallen from 5,300,000 to 4,400,000, in the period June 1941 to April 1942: a loss of about 20%. It should be noted that the total number of Germans in this age group is lower than normal due to the decreased birth rate of 1914-18.

3. Since virtually all fit men in the 21-32 age group had been absorbed into the armed forces by June 1941, these losses have been replaceable only by older men, from 33 to 47. Although it is believed that in June 1941 30% of the older men were in military service, they served for the most part in auxiliary military formations or in the ground personnel of the air force. It is estimated that only some 1,500,000 men of this age group were in divisional formations, representing about 20% of German divisional strength. Due to the replacement of younger by older men this proportion is now believed to have risen to about 35%.

4. It is probable that panzer, motorized, and mountain divisions have been brought back to full

strength either from new young classes, or by the transfer of men in the 21-32 age group; but German losses have reduced the number of first-line infantry divisions by about thirty.

These losses, we think, have the following economic significance:

1. The large call-ups of the first half of 1941 accentuated an already tight manpower situation in German industry. Replacements took the form of women, foreign workers, prisoners of war, pensioners, and other inferior workers. As a result, civilian production was further reduced, in an effort to maintain military output.

2. As noted above, losses on the Eastern Front have necessitated the calling up of over one million additional men from the 33-47 age group. Since it is unlikely that the possibilities of drawing upon foreign and prisoner labor had been almost fully exploited by the close of 1941, this loss has probably caused a further decline in total output. To the extent that civilian production could be reduced, this has undoubtedly been done; but the production of certain military items may have been affected, as well, although there is, as

yet, no evidence of such declines.

3. It is believed that further substantial losses in the German army will result either in a reduction of the over-all size of the German military establishment, or, if that establishment is maintained by call-ups, a decline in German military production. No important margin of transferable labor is believed to remain in German civilian industries.

No. 575

June 3, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following is the weekly British Home Intelligence report for the period ending May 26th.

"There is continued general state of optimism and confidence, due to the Russian successes, Churchill broadcast, and Leeds 'top-of-ridge' speech, feeling that 'all is not well inside Germany', and assurances of an ultimate continental invasion.

"However, there is impatience over Parliamentary war debate, dissatisfaction at the slackening air offensive, failure to sink the Prinz Eugene, anxiety over the coal situation and increasing strikes.

"Eight regions report the belief that the war will end this year, that is Germany will be finished off, if not the Japanese. This belief is not in every case confined to the minority and is paralleled by fear that complacency may produce a slackening of the war effort.

"The Parliamentary war debate is generally thought

a waste of time. The general public has 'so thoroughly regained any confidence they may have previously lost in Churchill' that there seems more irritation with criticisms than anything else.

"There continues to be decline in public interest in the Far East. There is almost no interest in Burma. There is growing anxiety over supplies for China.

"The public generally welcomed the United States' firm stand on Martinique but there was some disappointment that the negotiations 'ended in nothing more than demilitarization of warships' and the United States is still not understood, though Swing's broadcast of May 16 'explained the position very clearly'.

"Cripps: Although his standing in Scotland is sky high, London region finds:

- (a) big business growing suspicious of him, and
- (b) workers wondering what game he is playing.

According to one report Cripps in the role of government spokesman is losing some popularity.

"In two regions the appeal for longer working hours brought the following response:

- (a) Although office workers are prepared for

longer hours, they express a strong feeling for a parallel announcement on overtime. 'If some of the staff is dismissed, called up or not replaced and others work correspondingly longer, managements should not benefit by money saving'.

(b) Some employers and Trade Unionists in the cotton industry are 'strongly against measures where juveniles are concerned. Fatigue is believed damaging to production.'

"In widespread areas of one region growing anti-semitism is reported, for boasts by young Jews of evading callup, for rationing infringement and black market allegations."

No. 576

June 3, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following has just come to us from a very reliable source:

"Since the declaration of war by France against Germany and Italy it has been understood that all diplomatic relations have been broken between France on the one side and Germany and Italy on the other. We are advised that no member of the French Embassy in Washington has ever been in contact with any member of the German Embassy or the Italian Embassy. However, we are further advised that within the last twenty four hours German and Italian Military, Naval and Air Attaches have been ordered by their governments to renew relations with the French attaches in the various countries where the diplomatic missions co-exist."

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June 3, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is the text, in translation, of a message sent by the French Ambassador to Vichy on Tuesday, June 2.

"In a message which your Excellency probably received through the news agencies, the President asked Congress to declare war on Bulgaria, Hungary and Rumania.

"Many believe that that decision was taken at the request of Russia. Others believe that it was announced suddenly to counter-balance the effect of the Turco-German accord, according to which the Reich will deliver 100 million marks worth of armaments to Turkey.

"The United States had so far delayed their declaration of war - although the three countries in question had long ago declared war themselves - in order that the Balkan powers would not be thrown over to the German side, having only her to trust to be protected against the territorial intentions of Russia.

-2-

"Today's decision shows that the United States have "burned their ships". It shows the increasing influence of the Soviets in the councils of the "war of the United Nations."

No. S-43

June 4, 1942

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is the text of French cables exchanged yesterday, June 3.

Laval sent the following telegram to Henry-Haye:

"PRIORITE ABSOLUE. Le 23 mai, l'Amiral Hoover a remis à l'Amiral Robert une note dans laquelle il souligne que deux ordres de questions devaient être discutées à la Martinique: les questions militaires et les questions politiques.

"Les questions militaires ont reçu une solution satisfaisante par l'immobilisations des navires de guerre dans les conditions techniques fixées par les Etats-Unis.

"En ce qui concerne, les communications, les Etats-Unis admettent que l'Amiral Robert doit pouvoir communiquer librement d'une part avec les possessions françaises qui sont dans sa juridiction, d'autre part avec le gouvernement français, par l'intermédiaire de l'Ambassade de France à Washington. Des précautions de censure pourront être prises par les Etats-Unis, afin d'éviter les indiscretions d'ordre militaire ou naval.

"Les Etats-Unis, d'autre part, sont disposés à faciliter le ravitaillement des possessions françaises de l'hémisphère occidental, à la condition qu'ils bénéficient

eux-mêmes d'importations venant d'Afrique du Nord, qui leur sont nécessaire pour la continuation de leur effort de guerre.

"Les Etats-Unis comprennent qu'il soit très difficile de demander l'utilisation à leur profit des navires marchands français, actuellement dans les ports des Antilles. Mais ils pensent qu'une société d'affrètement privée, à étiquette sud-américaine par exemple, pourrait enlever la plupart des objections de la commission d'armistice.

"De même, des modalités peuvent être trouvées, pour le déblocage des fonds destinés aux achats de ravitaillement des Antilles."

The following telegram was received by Henry-Haye from Laval:

"Comme suite à mon télégramme 1188-1192, je vous envoie ci-après la substance de la réponse française à la note remise par l'Amiral Hoover à l'Amiral Robert.

"Je télégraphie le texte de cette note à l'Amiral Robert, lequel le remettra à M. Reber.

"Je vous prie, de votre côté d'en informer le Département d'Etat.

LAVAL"

Laval sent this telegram to Henry-Haye: français  
"PRIORITE ABSOLUE." Veuillez confirmer au Département  
d'Etat que le gouvernement français est disposé à accorder  
satisfaction aux Etats-Unis sur la plupart des garanties qui  
ont été réclamées par ses représentants, actuellement à  
Fort de France.

"Sur un seul point, cependant, le gouvernement fran-  
çais est obligé de demeurer intransigeant. C'est celui  
concernant l'utilisation de la flotte marchande française,  
ancrée dans les ports des possessions françaises de l'hémi-  
sphère occidentale, ainsi que la constitution éventuelle d'une  
société d'affrètement à étiquette sud-américaine destinée à  
disposer de ces navires."

"En effet, cette utilisation n'est possible en aucune  
façon par suite des stipulations impératives de la conven-  
tion d'armistice. Elle ne deviendrait possible qu'à la  
condition d'avoir l'assentiment de tous les belligérants,  
ce qui est loin d'être le cas.

"Le gouvernement français, en tous cas, espère que  
les obstacles mis, sur ce point, à la réalisation des désirs  
des Etats-Unis, n'empêcheront point la conclusion d'un accord,  
précisant le statut de nos possessions.

"Il y a en effet, une telle disproportion entre les  
tonnages marchands détruits ou coulés d'une part, et, d'autre  
part, l'importance réelle du tonnage marchand ancré dans

- 4 -

les eaux des Caraïbes, que le gouvernement français n'imagine pas un instant que le Etats-Unis pourraient faire une condition sine qua non, de la livraison des navires marchands français.

LAVAL"

No. 577

June 4, 1942

12:00 Noon

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

On May 30 ( memorandum 568) I sent you a memorandum prepared by Mr. Dunn of the State Department. The memorandum dealt with the proposed trip of Monsignor Vanuzzi to the Vatican. We have obtained clipper passage for him on next Tuesday.

Mr. Dunn has just called me and suggested that in view of the situation in Italy you might feel it desirable to receive Vanuzzi before he leaves. Perhaps you might find it convenient to do so on Monday.

No. 578

June 4, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is a digest of the British Political Warfare secret strategical guidance issued June 2.

1. Eastern front:

- a. There is prolonged bitter localized fighting in Murmansk but the German assertions that several Russian divisions were destroyed is unconfirmed.
- b. There are bitter localized engagements south-east of Lake Ilmen without situational changes on the Leningrad front.
- c. No changes on central front except for German operation behind their own lines against the Russian detachments.
- d. No change on Kalinin front.
- e. Fighting in Ukraine is decreasing. The German counter offensive against the southern side of the Russian salient south of Kharkov toward Izyum was held after penetration near Izyum. The Russians in the west were threatened with isolation by the German wedge, and withdrew. This withdrawal should not be mentioned. It was orderly, probably to a line

southeastwards along the Donetz River from Zmiyev. The German claim of annihilation of three Russian armies is a gross exaggeration. The Russians admit 70,000 casualties. This is probably an understatement.

f. Russian losses on the Kerch peninsula claimed in the German communique are much exaggerated.

2. Libya situation there is covered by Churchill's statement to Parliament. A spirit of modest restraint is recommended.

3. Guidance: The left flank of the Russian front is Malta and Libya which protect the Caucasus, Russia's southern supply routes, Persian oil, Iraq, and Turkey. Axis aims at destruction of Allied forces in the Middle East and occupation of the entire area. On the Russian front, Timoshenko's attack has forced the Germans to divert troops from the spring offensive. However, Kharkov is not considered as a major German spring offensive. It is unlikely that the latter will start before mid-June.

4. Propaganda policy: Let current events tell their own story. We have taken offensive and hold initiative.  
Emphasize:

- a. Exhaustion of the Axis in food, manpower.
- b. Libyan campaign.

and c. of corruption of state  
contemporary events the Democrat

- c. Heydrich and reprisals.
- d. Statements of General Marshall and General  
Arnold.
- e. Mexican war.
- f. Anti-Nazi attitude of Latin America.

No. 579

June 4, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following, which has come to us from a reliable source, is reported to be the substance of a statement made by the French Military Attache here on yesterday.

"He does not believe in an immediate German attack of the British Isles. He thinks that the Germans will attack only after the massive attacks against Russia and Egypt.

"He thinks the attack against Russia will not be launched before ten days at the latest. (In 1919, the General was with the French troops fighting the Soviet at Odessa. He knows the region well and is a tank expert). He says that the Germans first want to chase the English out of Alexandria and to secure the control of the Mediterranean as well as the oil of the Caucasus.

"Once control of the Mediterranean is assured, which would permit access to Africa, the Germans will be in an excellent position to 'talk' with the Russians.

"In any case, they could concentrate all their air forces against the British Isles, profiting by the facilities of de-

ployment, while the squadrons and factories of the English are concentrated within restricted areas.

"During the battles of Kerch and Kharkov the Germans have furnished the Russians with ample proof that they have not lost any of their aggressiveness and maneuverability. The Russians, on their part, might be more willing to listen to German proposals since they never concealed their interest in opening peace negotiations with as strong an army as possible."

No. 580

June 4, 1942

6:00 P. M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

Here is a report which we have just received from our man at Stockholm.

"Sweden may overnight become the most important propaganda center in the world for the dissemination of ideas and ideals and we should be prepared for that day. Our publicity emanating from here is already obtaining an audience within Germany.

"Another winter will finish the Germans but even ten will not break the Soviets, according to a banker from Eastern Europe who has just completed a sojourn in Berlin. A Japanese banker told him that if the Wehrmacht loses this year's campaign, the war will be brief, whereas if they manage to occupy the Volga valley it will be long.

"Nazis in Stockholm entertain Swedes who have been to London to sound them out on English reaction toward a negotiated peace, but are greatly downcast by the negative information they thus receive.

" According to military informants, Russia, if she wins, will not heed the Anglo-Americans but will absorb the Scandinavian countries in the same manner as she did those of the Baltic about two years ago. They think that the United Kingdom might fold its hands in the belief that the Communist wave would stop after crossing Scandinavia. Those sophisticated in politics, however, do not agree. The military, moreover, firmly believe that the Wehrmacht would throw out the National Socialists and give up all conquered territories if they could obtain equal treatment for an undivided Germany in the economic sphere."

S-44

June 5, 1942.

MEMORANDUM TO THE PRESIDENT

FROM: William J. Donovan

The following message was sent by Henry-Haye to Vichy on June 4, 1942:

"D'après les renseignements que m'a fournis l'Attaché de presse, le Commissaire soviétique Molotow serait reparti ce matin à destination de la Russie, après plusieurs jours consacrés à des conférences avec le Président Roosevelt. Il ne serait pas étonnant que ces conférences se soient déroulées sur le yacht présidentiel, en croisière sur le Potomac.

"Les deux bombardements de Dutch Harbor par les japonais peuvent avoir eu entre autres buts, celui de démontrer au Commissaire russe la supériorité de l'aviation japonaise sur l'itinéraire qu'il a dû probablement emprunter pour son retour."

No. 581

June 5, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT:

FROM: William J. Donovan

This report, covering highlights of the week's war on the propaganda front, is based on recording of short-wave broadcasts heard at FCC's listening posts in Washington, Puerto Rico, Kingsville, Tex., and Portland, Oregon; the Columbia Broadcasting System's listening posts in San Francisco and New York; on medium-wave broadcasts recorded by the British Broadcasting Corporation; and by our own monitors.

What the Enemy Did

A week in which good news for the United Nations streamed in and in which our radio warfare remained almost continuously on the offensive put Axis propagandists last week in an uncomfortable position. The Axis, with the psychological odds against it, reacted quite differently than we used to. There we pointed out the long-range goals towards which we were inevitably moving, laid emphasis on our determination to win back what had been lost and in general acted quite calmly; the Axis howled with rage and pain.

The one sector of the radio front on which the Axis remained continuously offensive was the one dealing with naval warfare.

And yet, even here, the Axis was forced to turn defensive and to devote much of the time it might have given to emphasis on its submarine warfare to tearing down our discussion of the U.S. naval construction program.

Probably the most outstanding phenomenon on Axis radios this week was the hysterical crescendo of attacks on Allied propaganda. This reached the point where Berlin no longer tried logically to tear down our offensives but instead mouthed curses at our "Propaganda Kikes" and described our activity as "yiddling." Almost every Axis propaganda campaign was tied in with this one in one way or another.

(On the reverse side of the medal, according to our monitors, we in the past several weeks have been moving progressively away from this type of defensive propaganda, i.e., attacks on enemy propaganda.) This week we moved so far away that our monitors can report only one full commentary all week devoted to attacking Goebbels' propaganda as such.

Loudest complaints of the Axis, next to its dislike of our radio warfare, were reserved for the mighty RAF raids on Germany.

Civilians, children, monuments and ancient buildings only suffered at Cologne, Berlin told us. The British grossly exaggerated the number of planes used; only 70, in fact, flew over Cologne, Berlin insisted. The weak raid on Canterbury was blown up for domestic and foreign audiences and Berlin said it was so staggering

that Canterburians cursed Churchill for his raids on Germany.

The raid on Canterbury was a purely propagandistic raid. The destruction wrought on churches and monuments in the cathedral town of Canterbury was used to validate Germany's claims that similar edifices were the only things destroyed in the Cologne raid; it was flatly stated that this was what the "reprisal" raid was about.

We know of course that the military value of Cologne and Canterbury cannot be compared. This was important knowledge for the Nazis, too. For they could be sure that they would not run up against strong defenses in a militarily non-vital cathedral town because strong defenses are reserved for military centers. Thus, they could be sure of doing the maximum damage at the minimum cost.

The Essen raids Berlin tried to dismiss as "nuisance raids": they never specified Essen as the scene of the bombing.

By Wednesday Berlin's attempts to be cool about the effect on the home front and cold in threats to England broke down. Its entire approach was one of fury at our and British reports of the raids. We were making an Arabian Nights' victory out of Cologne and we were making all this noise so as to hide our defeats in Russia, Libya and on the seas. Germany's scientific devices, Berlin insisted, proved that only 150 bombers had taken part in the Cologne raid. With such losses, Rome reasoned, Britain will have lost all its striking power in a month.

Finally, by implication, the Axis admitted the terrible effects of the raids. Britain, the Axis stations said, is trying to destroy every blade of grass and every person in Germany and to turn the Reich into a Sahara.

Axis ridicule and argument against a second front continued this week. The Axis arguments against it, some by implication, some directly, were:

1. A second front would amount merely to appeasement of Stalin.
2. An unsuccessful second front would be a disaster.
3. The second front is a boomerang because it is fraying Allied nerves.
4. A second front is impossible because of the lack of Allied shipping.

In only one case did the Axis directly take the offensive on the second front question. That was when Tokyo flatly said that Germany would open the second front on the British mainland. This, however, was not followed up.

Concomitant with arguments against a second front, the Axis continued to try to capitalize on allied sentiment for a second front by urging that we undertake such operations immediately. Berlin's Paul Revere asked Americans, "Can't you send a telegram to Roosevelt or Gen. Marshall asking that they stop advertising and act?" Shanghai warned us that unless the U.S.A. hurried the

Bolsheviks would not need a second front because they would have ceased to exist.

The Axis started the week's radio warfare on the Eastern front offensively, but by week's end had made this sector also one on which to attack Allied propaganda.

At the beginning of the week the Axis called Kharkov one of the greatest annihilation battles in history. But when we called attention to Moscow's statement that the Red Army had forestalled a drive on Rostov the Axis once again turned hysterical.

It is an old Allied trick, Berlin shrilled, to invent German aims and then say Germany has been defeated because it has not attained the false aims.

The choicest bit of rage came from Berlin's Paul Revere, following his version of the Kharkov battle:

"Messrs. Churchill and Roosevelt, when they produced this judocrat war of theirs, became joint fathers of a monster whose unquenchable thirst for lie whiskey has already brought the operators of the benighted nations' propaganda distillery to a state of complete nervous collapse."

It was much the same case with the fighting in Libya. Sounding a confident note on the fighting and ending the week with the assertion that the Axis had won the battles in Libya, the Axis detracted from its claim of good news for its side by its continual assertions that Allied propaganda, here as elsewhere, cannot be believed.

The Axis approach to the Mexican declaration of war was one of deprecation to most of the world, of sympathy to U.S.-ridden Mexico in broadcasts to Latin America. Towards the end of the week Axis comment on Mexico's declaration, except on Latin American beams, disappeared.

At first the Axis had little to say about American declaration of war against Hungary, Rumania and Bulgaria. Berlin's comment never did develop appreciably, but Rome, presumably because of its Imperial interests in the Balkans, gradually grew enraged.

On Thursday, on nearly all its news programs and commentaries, Rome asserted that President Roosevelt was trying to create disunity in Europe and to cover up his failures elsewhere; that the action was demanded by Stalin, who wants a free hand in the Balkans, and to compensate for the lack of war materials sent to the Soviets.

This was the nature of Axis trend on its continuing claims:

We control the seas. Scarcity of ships prevents large-scale military action by the Allies. The U.S. ship program is falling down so badly that the American Press is demanding the resignation of Admiral Land. Roosevelt may make lease-lend agreements but he hasn't the ships to deliver the goods. You build 'em and we'll sink 'em. The 5-5-3 naval ratio has been reversed in Tokyo's favor. U.S. shipping losses are now three times greater than U.S. shipbuilding capacity.

Vichy's contribution was vicious, if untrue. U.S. shipyards, Vichy reported, are paralyzed by strikes.

It became apparent on Friday in the case of the Dutch Harbor raids that Tokyo was toying with the idea of emulating our silence on the bombing of Tokyo. No mention at all of the raids has been monitored up to this writing. Berlin's and Rome's line is that the U.S.A. is agitated and shocked by the raids, that official Washington is mystified over the nature of the planes' base, and that heavy damage was caused by the bombings.

Britain's brief Commando raid on Northern France got scant mention from the Axis, which proclaimed it a propaganda stunt to substitute for a second front.

A late development on Friday was a claim publicized by Berlin that Honolulu, which it called an island, was attacked Thursday by planes from a Japanese aircraft carrier. This was first broadcast by Berlin under Shanghai dateline. International News Service picked up the story and thereafter Berlin gave as its source the Associated Press. We have not yet seen the Associated Press carrying the story.

This is a familiar Axis dodge to gain respectability for its reports, but we have not before seen Berlin do it so quickly.

What We Did

The news for the most part was excellent and we were not bashful in reporting it. Our biggest story of the week was the initiation of mass RAF raiding of Germany. We led most of our news shows for four days with the bombings of Cologne and Essen and called them the biggest raids ever. We hinted that this was only the beginning.

In almost every news report of the Cologne raid we emphasized and re-emphasized Goering's statement, made in 1939, that not a single enemy bomb would drop on German soil.

We derided German reports of the raid and pointed out that the day after the Cologne bombing the smoke was so thick that aerial pictures could not be taken. On Friday we were still talking about the raids and stated that round-the-clock operations were being carried on. We emphasized Russia's enthusiasm over the raids.

Throughout the week we stressed the fighting on the Eastern front, reporting successful Russian resistance in the Kharkov sector and successful Russian offense on the Kalinin and other sectors. We gave weight to the special Russian communique on the Kharkov battle and pronounced it a strategic victory for the Allies because of the heavy German losses inflicted and because of the weakening of the threat to Rostov. As the fighting died down, our emphasis on this sector died down with it.

While Heydrick was alive, we emphasized that his life was in danger and we strongly condemned the execution of hostages in Czechoslovakia. When Heydrich finally died, we reported that fact with a tone of jubilation, and we quite audibly wondered whether other Nazis of the same calibre might expect the same sort of fate.

Throughout the week we gave good play to MacArthur's communique from the southwest Pacific and while we reported that the news from China was not good, we emphasized the heavy loss in life Japan was paying for its gains. We gave important attention to the new lease-lend program.

The news of raids on Dutch Harbor came through too late on Thursday for it to be given much attention. We reported the communique, made little comment, and avoided giving the story a lead position. On Friday we laid stress on the successful repulsion of the Japanese attack on Midway.

On Friday also we gave vital attention to the President's declaration that we would use gas if the Japanese did not stop using it against the Chinese.

Britain's Commando raid we frankly described as a small operation, but, we pointed out, it had had the effect of getting valuable information which would be of use in plotting any second front operation that might be in the offing.

-10-

We counteracted the Axis campaign on naval warfare as best we could. We emphasized our naval and aircraft production program, giving the Vinson Plan an important place in the majority of shows. We reported on most shows Friday that we had delivered 58 ships in the past month.

No. 582

June 5, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is a report of our representative at the Joint Chiefs of Staff meeting in London dated June 3.

"1. Libya. The enemy forces have established a wedge at large gap created by sappers in minefiled. The wedge is protected by anti-tank guns. The British refuse to be drawn in. The enemy has a multiple course of action open to him. 310 enemy tanks remain, with 200 destroyed. According to the British representative, 'We have not less than this'. The enemy aircraft in Libya number 230, with operations mostly in support of ground forces. Coastal airdromes and supply are attacked by enemy long range bombers based on Crete and Greece. During the past week shipping from Italy totaled 30,000 gross tons, equally divided between Tripoli and Benghazi. The Italian navy is not active in the present fighting. There was an attempted enemy landing May 26-27, a small affair, ostensibly to aid refuelling armoured force.

"2. In Northern Norway, long range bombers total 180. During the past week seven ships in two convoys were sunk off North Norway, six by air with 120 planes attacking. The Lutzow and Scheer are quiet under netting at Narvik. In Central Norway tank landing craft has been increased.

"3. Report on naval units in the Baltic. The Scharnhorst repairs are just about complete. The Gneisenau inactive six months to a year. The Eugen inactive until September. Construction on the Seidlitz and the Carrier Graf Zeppelin is continuing.

"4. The British representatives expect main enemy thrust in the south part Kursk-Taganrog line about mid-June. The enemy is preparing for an attack in the Leningrad area about the same time. Preparations are also under way for enemy action in Sevastapol. To support the operations Italian and German motor craft are assembled in the Black Sea.

"5. Enemy aircraft have been sighted off Midway 560 miles during the first of the week. It is expected that there will be action toward the Hawaii group."

No. 583

June 5, 1942

6:00 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

The following report comes to us from our man  
at Lagos:

"Shortly after June 6, eleven Germans are leaving  
Monrovia by air in five planes. Journey indicating  
heavy baggage. Others, reportedly taking gold, have  
proceeded to the Ivory Coast by launch by way of Cape  
Palmast."

No. 584

June 6, 1942

12 Noon

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

If you have no objection, I am planning to fly to England for a few days to arrange for carrying out of plans to be approved by Chiefs of Staff for our operations in North Africa and the Middle East. Also to continue conversations relative to joint radio campaign in West Africa. The British have arranged for my transportation with Mountbatten and Slessor and returning me to Montreal.

No. S-45

June 6, 1942

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is the text of certain French cables exchanged yesterday, June 5th.

Henry-Haye telegraphed Vichy and Admiral Robert as follows:

"J'ai remis aujourd'hui à M. Atherton qui suit personnellement cette affaire au Département d'Etat copie de la réponse du 3 juin, transmise à l'Amiral Robert (vos télégrammes No. 1196-1200).

"Le Chef de la division d'Europe ne m'a pas caché que l'on était à la fois impatient et inquiet au Département d'Etat de la lenteur des négociations qui, après un mois, n'avaient complètement abouti sur aucun point; l'immobilisation des bateaux de guerre ne pouvant être considérée comme une question réglée, tant que le Sagittaire ne serait pas parti pour Casablanca avec les garanties de retour nécessaires; cette situation, selon lui, ne saurait se prolonger très longtemps, car le Département d'Etat n'est pas en mesure de résister indéfiniment aux réelles et très fortes pressions qu'il subit."

Henry-Haye sent the following telegram to Vichy:

"Je réponds a votre télégramme No. 1201.

"Le retour aux Etats-Unis de la comtesse de Luart me

paraît souhaitable. Le "L'Éclair" a rejeté la demande de

"Lors de son dernier séjour, ses explications sur l'état réel de la France, sur la vérité concernant la construction du transaharien, ont mis fin à des campagnes de presse fort désagréables autant qu'injustes.

"Elle a d'autre part recueilli des fonds pour l'achat de nombreuses caisses destinées aux prisonniers de guerre.

"En bref son action a été des plus utiles et des plus louables."

Henry-Haye telegraphed Vichy as follows:

"En raison des difficultés de plus en plus grandes qu'il y a pour nos services à obtenir les licences de la Trésorerie permettant le déblocage mensuel des fonds de chancellerie, j'attacherais le plus grand prix à ce que les autorisations de paiement me soient envoyées par les services de compatibilité du Département, avant le 25 de chaque mois.

"De la sorte les formalités nécessaires pourraient être effectuées par le Vice-Consul payeur suffisamment à temps pour que les règlements de fin de mois puissent être ponctuellement payés."

Henry-Haye sent the following telegram:

"CONFIDENTIEL. Le journal de Madame Geneviève Tabouis "Pour la Victoire" publie une lettre de M. Camille Chautemps expliquant les raisons pour lesquelles il avait demandé à être admis dans le groupement de "France forever".

"Bien que "France forever" ait rejeté la demande de M. Chautemps, la geste de celui-ci n'en est pas moins critiquable car il y a quelques jours encore ce groupement télégraphiait à de Gaulle à Londres pour lui confirmer sa complète approbation.

"Je me suis gardé de porter sur les agissements de M. Camille Chautemps la moindre critique. Le moins que j'en puisse dire aujourd'hui c'est qu'ils n'ont point facilité ma tâche.

"Ces derniers jours encore, dans des interviews nombreux M. Chautemps a dit qu'il voyait en M. Herriot le chef de la France de demain.

"Il est clair que M. Chautemps cherche à grouper autour de lui, ceux qui sont hésitants et qui se tiennent à égale distance de Vichy et de de Gaulle.

"J'attacherais du prix à savoir quel est le point de vue du gouvernement sur les activités de l'ancien Président du Conseil.

"Je souligne, cependant, qu'il me paraît essentiel que des sanctions ne soient point prises contre lui. Elles auraient pour effet d'augmenter son crédit auprès des Free French qui viennent de le rejeter et auprès de certains milieux américains chez lesquels il a quelque audience."

In confidential code, and with absolute priority, the following telegram was sent to Vichy by Henry-Haye:

"L'Attaché de presse me dit tenir de source sûre que M. Molotow, n'est point parti à destination de la Russie mais bien à destination de Londres.

"D'autre part M. Georges Picot a appris de la bouche du plus intime collaborateur de M. T. V. Soong que le Président Roosevelt enverra, soit demain samedi, soit lundi, un message au Congrès demandant la déclaration de guerre des Etats-Unis contre la Finlande.

"D'après le renseignement donné à M. Picot - et qui paraît d'autant plus solide que M. T. V. Soong fait partie de la conférence du Pacifique - la Russie aurait accepté de mettre à la disposition des Etats-Unis les bases d'aviation de Sibérie, à la condition expresse que ceux-ci déclarent la guerre à la Finlande, à la Roumanie, à la Hongrie et à la Bulgarie.

"Ces trois derniers Etats ayant déjà déclaré la guerre aux Etats-Unis, le Président a préféré marquer un certain délai entre la déclaration de guerre aux uns et la déclaration de guerre à l'autre.

"La Grande presse, apparemment sur un mot d'ordre officiel, a commencé à publier dès aujourd'hui des articles destinés à préparer l'opinion à la décision définitivement prise par le Président Roosevelt.

"C'est ainsi que M. Arthur Krock, chef du bureau de

Washington du New York Times écrit aujourd'hui: "Dans les derniers jours, les diplomates russes (lire Molotow) ont fortement imprimé chez leurs interlocuteurs américains (lire le Président) leur inébranlable désir de voir inclure la Finlande dans la liste des ennemis officiels des nations unies. Le Président, de son côté, a manifesté son intention sans restriction d'appuyer la Russie tant sur le front diplomatique que sur le front militaire."

"D'autre part, Ber Valery télégraphie de Stockholm que "la solidarité germano-finnoise est maintenant complète et que le Marechal Mannerheim ne se soucie plus de l'opinion des Etats-Unis".

"A Washington, le Ministre Procope, très populaire jusqu'à ces derniers mois, a été mis à l'index par les autorités fédérales, le Département d'Etat et les gens du monde. Son Attaché Militaire, le Colonel Zilliacus, ancien membre de la Légion finlandaise et titulaire de la Croix de fer, a dû résigner ses fonctions, à la demande, croit-on, du Département d'Etat, par suite de compromissions suspectes.

"M. Procope qui ne peut plus se déplacer, sans en informer d'avance le Département d'Etat et qui est (lui et son domicile) sévèrement surveillé a déjà fait ses bagages et brûlé ses papiers, aux dires de M. de Panafieu."

No. 8-46

June 8, 1942

MEMORANDUM FOR THE PRESIDENT

From: William J. Donovan

The following is the text of a French cablegram sent to Vichy by Henry-Haye on June 6th:

"J'ai fait saluer par M. d'Aumale, l'Amiral Leahy, à son arrivée dans le port de New York.

"L'Amiral Leahy a dit à M. d'Aumale qu'il serait heureux de me voir, après qu'il aurait rendu visite au Président Roosevelt.

"J'ai, d'autre part assisté aux obsèques de Madame Leahy, en compagnie des membres de l'Ambassade.

"L'Amiral Leahy est allé voir le Président à la Maison Blanche. En sortant il a été interrogé par les journalistes. Il leur a officiellement répondu que les conditions de la vie en France étaient extrêmement pénibles et que les français avaient besoin d'un grand nombre de choses que les Etats Unis pourraient un jour leur fournir. Parlant ensuite "off the record" il a dit qu'il existait en France un très grand mouvement d'opposition à l'envahisseur et que, si un corps expéditionnaire américain venait s'établir sur la France occupée, les français se soulèveraient en sa faveur. Il a dit que les allemands appuyaient le remplacement de Votre Excellence par Jacques Doriot, que Votre Excellence desirait

maintenir les bons rapports avec les Etats Unis mais que  
celà paraissait impossible si Elle persistait sur la voie  
dans laquelle Elle s'est engagée.

"Je compte avoir bientôt l'opportunité de m'entretenir  
avec l'Amiral Leahy."

file

June 8, 1942

MEMORANDUM FOR THE PRESIDENT

FROM: William J. Donovan

Harold Smith has told me that an order of consolidation of the information services is to be signed. As was my duty, I have stated to you my reasons against consolidation, and I know that you have given them ~~consolidation~~ <sup>consideration</sup>. Whatever your decision is, we here will implement it loyally and efficiently. As a means to that end, I have only to suggest that if an order of consolidation is issued which includes our Foreign Information Service, at the same time there be issued an order covering our relationship with the office of the Joint Chiefs of Staff. In our last conversation I understood you to be of the opinion that whether the foreign information was to be with us or not, you wished me to report both to the Joint Chiefs of Staff and to you.

I recognize that it would be necessary for us to establish a close liaison with a foreign information service, if that is to be separated, in order that our handling of political and psychological warfare and subversive activities for the Chiefs of Staff will not come in conflict with the distribution

of public information abroad. While we would have to use the medium and control of the foreign information service, of course the purpose and method would be entirely different in carrying out our activities.

It is curious to note that at the very moment when the British are beginning to come to centralization of the various activities, we already have under one tent, we have many theorists who, because of a false logic, are seeking to break up our own efficient centralization. The separation of our foreign service is the beginning, and I do hope, for the sake of the war effort, you will not permit it to go further. I say this frankly because you know that if you feel my usefulness here is ended you have only to tell me so. I know very well that with the assistance of the men with brains and character who have been with me, we have built up a real war-time service for you. I would not want to see it broken up without calling it to your attention. I say this only because I have already been told of the efforts made to take other units away from us.