

F: OSS Nov. 1-15

PSF: OSS

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~RESTRICTED~~

1 November 1944

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MEMORANDUM FOR THE PRESIDENT

I believe you will be interested in the enclosed report which we have just received from our representative in Bern. This report contains his comments on Goebbels' latest speech and Italian resistance in Northern Italy.

Donovan

William J. Donovan
Director

Attachment

~~RESTRICTED~~

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE 28 October 1944

#233

FROM Berne

HBO

PRIORITY

TO

DIRECTOR, OFFICE OF STRATEGIC SERVICES

ROUTINE

DEFERRED

DISTRIBUTION

(FOR ACTION)

(FOR INFORMATION)

RECEIVED IN PLAIN TEXT

GPO 15-4008-1

GERMANY

I listened to the entire speech of Dr. Goebbels last night to try to see whether he was starting any fresh line of propaganda, but I found nothing really new in it. His delivery, as usual, was polished, and as compared to the ranting style of so many of the Nazis it was relatively calm. Goebbels took it as an already accepted hypothesis that Germany's enemies intended to enslave and destroy her. Apart from passing references to Vansittart and Morgenthau and the alleged plan to reduce Germany to a potato pasture, he did not try to belabor the point, but assumed that all his hearers were now agreed that the future of a defeated Germany was, indeed, a hopeless one.

The speech was purely defensive. Even the miracle to be achieved by secret weapons was almost missing and reduced, this time, to a passing phrase which held out some hope that the new weapons in the "new or more distant future" would play an important role. Goebbels did not predict any glorious offensives; all he asked for was a stubborn defense which would tire out the enemy and give Germany lasting peace.

I did not find any clue in this speech that Germany was holding out an olive branch to either East or West. Each received about an equal salvo of insults.

Again the latest theme of German propaganda was played; namely, that conditions in the liberated countries were desperate. The emphasis on the bombardment as the most serious present menace was interesting. He was talking to the hinterland rather than to the Army, and to a hinterland that has probably been wondering what has happened to the Luftwaffe. This reference to the air warfare gave him an opening to try to console the people with the promise of an early appearance of new types of planes.

All in all, the speech was rather unenlightening, either as to future German policy, or even as to future propaganda trends.

ITALY

The resistance movement and partisan activity in Northern Italy have been viewed largely from the angle of their military importance. I hear that, due to the lack of arms, it has not always been possible

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

REF. No. 233

FROM **Berno**

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

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to accomplish what might originally have been hoped. However, there are still a good many thousand, probably somewhere between fifty and a hundred thousand partisans in the provinces of Northern Italy, who, despite their lack of equipment, are making life unpleasant for a good many German soldiers and threatening their lines of communication. There is, however, another side to this picture which deserves consideration. The leadership of the resistance movement is in the hands of a Central Committee, under which are many regional committees composed of representatives, civil and military, belonging for the most part to the five anti-Fascist parties. In these committees, the five parties are working together, and a sort of political life is already growing up in North Italy, as men are coming to the fore and getting a chance to prove their abilities. This organization of the resistance, if it can be preserved until a German withdrawal, may be a real aid in facilitating administration of the country after liberation. If, due to lack of Allied support, the resistance organization is dissipated, we will possibly find in North Italy rather chaotic conditions upon liberation, and both administration and the rebuilding of a sound political structure will be made much more difficult.

~~RESTRICTED~~

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~RESTRICTED~~

1 November 1944

Miss Grace Tully
The White House
Washington 25, D. C.

Dear Grace:

I believe the President will be interested
in the attached report. Will you kindly see
that it reaches his desk.

Sincerely,

Bill

William J. Donovan
Director

~~RESTRICTED~~

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

SECRET

1 November 1944

Miss Grace Tully
White House
Washington, D. C.

Dear Grace:

I am enclosing two memoranda which I think will
be of interest to the President.

Will you please see that they reach his desk.

Thank you.

Sincerely yours,

Bob

William J. Donovan
Director

Enclosures (2)

DECLASSIFIED
By Authority of CIA

007622
By DBS Date MAR 8 1974

SECRET

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

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DECLASSIFIED 1 November 1944
By Authority of _____

MEMORANDUM FOR THE PRESIDENT

CIA 007622
By DBL Date MAR 8 1974

There follows a summary of a report prepared on 16 October 1944 by the Independent Military Mission to Marshal Tito regarding conditions in Valjevo, a town in Partisan-occupied Serbia.

The following remarks are based on a short stay in Valjevo and should not, without further corroboration, be taken as characteristic of all Serbia.

Valjevo has a population of approximately 17,000. It is a prosperous town in a rich agricultural area, and it contains a number of small industrial enterprises. The town was occupied by the Germans in 1941 and was used as the seat of the Kreis Commander and as headquarters for the Gestapo in that region. It was captured on 19 September 1944 by the Partisans without much fighting and with very little physical damage. According to a British Liaison Officer who was present at that time, the local administration was assumed by a committee of Partisan sympathizers in the area who had been living underground. This committee is largely military in character and

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does not pretend to be a body chosen by the people. Under Partisan practice it will eventually be replaced by an "elected" committee, but it is not likely that elections will be held for some weeks, or that they will necessarily resemble the elections in western democratic countries.

The Partisan administration was able to establish its authority without difficulty; there was no disorder, and there seem to have been no demonstrations for or against the committee. Water and electric power were made available in a few days, and for this purpose the Partisans used engineers and technicians who had been working under the previous regime. The schools, however, are still closed, probably while the political attitudes of the teachers are scrutinized.

A tribunal, more or less military in nature, was set up shortly after the Partisan victory under the direction of Marshal Tito's Judge Advocate General. It conducted both secret and public hearings and published lists of convictions and sentences. Between 6 October and 16 October nineteen persons were sentenced to death for sabotage or espionage, while twelve others received from 3 to 6 months of hard labor for collaboration with the enemy. The British Liaison Officer with the Partisans has stated emphatically that there is no evidence of other killings than the ones announced. The local jail is quite

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-3-

full, but it is not clear whether this means that investigations are continuing or that further executions may be expected.

The town itself looks surprisingly well after its periods of occupation. The houses are well painted and the inhabitants are well dressed. The stocks of textiles, ready made garments, and ordinary household supplies are very low, but agricultural products are plentiful, and the restaurants and cafes are prosperous. "Nedic" dinars are accepted in shops and market places, and prices are high to those with fixed incomes. A list of prices prevailing in the region of Valjevo between 9 and 16 October follows:

Potatoes	50 dinar	kilo
Chickens	495	each
Sausage	1200	kilo
apples	70 to 90	kilo
walnuts	150	kilo
cheese	300	kilo
bread	190	kilo
grapes	60	bunch
pears, large	16	each
Peppers	5	each

Pastry (at 50 dinar each small cake) is expensive, probably due to scarcity of sugar.

While the Germans held Valjevo they managed to export considerable quantities of food stuffs, particularly wheat, meat, and dairy products, but they took little of other types of supplies. They imposed a ration of 100 grams of meat per

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person per week and a kilo of corn flour per household per day, but this made comparatively little difference, for it was easy to buy directly from the peasants, who were successful in circumventing all excessive requisitioning. The German occupation evidently caused little malnutrition or physical suffering in the region, and, in spite of tales of severe reprisals, the author of the report saw no burned houses in the country near Valjevo, except those damaged in recent battles.

At present the Partisan troops are being fed from "contributions" received directly from the peasants, whose normal markets have been cut off. Quartermaster officers have been seen in the town making purchases with "Nedic" dinars.

It is believed that many of the inhabitants, especially small tradesmen in the town and rich peasants, have not been enthusiastic about the arrival of the Partisans. The American Mission has met with courtesy but little enthusiasm. Partisan sympathies were clearly indicated by the cheering at the appearance of Marshal Stalin, President Roosevelt, and Prime Minister Churchill in a newsreel of Tehran conference; the President was second.

On first impression, the author of the report believes that Marshal Tito's followers are deliberately pursuing in this

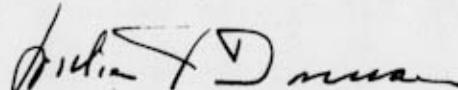
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region a policy that is moderate in comparison with their reported activities in Dalmatia, Croatia, and Bosnia. Apparently they intend not to alarm the conservative peasants of Valjevo with radical political or economic measures, at least until their regime is solidly established. It is not possible to say whether this policy has been successful in calming the apprehensions of the peasants, or whether the present apathy of **the** population has no significance, or is caused by the shock of the Partisans' arrival, or is a mask covering opposition to the Partisans.



William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

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By Authority of CIA

007622

By ABJ Date MAR 8 1974

1 November 1944

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MEMORANDUM FOR THE PRESIDENT

There follows a summary of a report dated 11 October 1944 from the advance party of the Independent American Military Mission to Marshal Tito with the Partisan First Corps.

Colonel Ellery C. Huntington with an advance party of the Independent American Military Mission to Marshal Tito arrived at Valjevo on 8 October, where they met Brigadier McLean and a party from the British Mission. On the following day a request was made of Lt. Gen. Dapcevic, the Corps Commander, and General Crni Zujovic for an interview with Marshal Tito. Both General Dapcevic and General Zujovic stated that they did not know where the Marshal was, but would inform him that the American and British representatives wished to see him as soon as possible.

Colonel Huntington and Brigadier McLean waited at Valjevo with their staffs and were shown every consideration by the local Partisan officials. On 11 October a message was received from Marshal Tito to the effect that he would be able to see them in a few days. The message was cordial in tone

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and indicated that the Marshal was not very far away. (According to published Partisan reports he had been recently in the neighborhood inspecting troops).

The Mission plans to remain at Valjevo until further word comes from the Marshal, or until the situation at the front should change. Col. Huntington hopes to enter Belgrade as closely as possible behind the First Corps.

According to the information available at Valjevo, the Russians are still about 10 km. northeast of Belgrade at Pancevo, while patrols from the First Corps have reached to within 20 km. of that town in the south and southeast. It is expected that Soviet troops will join the First Corps near Velika Plana on 11 October. In the opinion of the Mission, the Germans in Belgrade have two alternatives: (1) to cut their losses in the southern areas of Yugoslavia and Greece and retire in an orderly fashion from Belgrade before their northern communications are seriously threatened by the Russians; (2) to attempt to hold Belgrade in an effort to save as many troops as can fight their way up to the city on the roads from the south (the rail lines now being virtually useless to them). In the latter case, it is likely that several days may pass before Belgrade can be taken. The city can be defended easily from the north and east because

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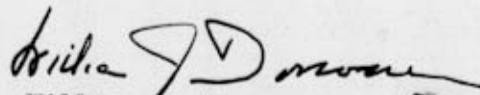
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of the Danube River and swampy ground, while the Partisan troops to the south are not well equipped for an assault unless reenforced by the Russians, with whom they are presumably establishing contact about 60 km. south of Belgrade. According to reports from Lt. Grimm at Serbian Army Headquarters, General Popovic's troops may be advancing up the east bank of the Morava to join forces with the Soviet troops in that area.

In the event of the capture of Belgrade, it is likely that General Headquarters will move from Vis to Valjevo, since the latter town has a central location in an area where food may readily be obtained, and it is big enough to accomodate a large staff.

The Mission's plan as of 11 October is for the advance party to remain at Valjevo in order to enter Belgrade at the earliest opportunity. Due to the lack of transportation, other personnel should stay where they are, waiting for further instructions. Once Belgrade has fallen, the need for personnel there will be acute.

The plans of the American and British Missions are the same.


William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

2 November 1944

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MEMORANDUM FOR THE PRESIDENT

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The following message, which has just come to us from our man in Switzerland, I feel should be called to your attention. We will continue to keep in touch with it, and advise you of developments.

"Trusted intermediary who has rendered us recognized services over past two years has been informed via Zurich lawyer who has specialized in representing South and Central American countries that Goering and Ley are making plans to leave Germany via Suisse about middle November and are putting up very large sums in Swiss francs to buy passage and false passports of some South American country. Understood they will travel separately, one coming via Leichtensteil and other via Friedrichshafen. Intermediary indicates Zurich lawyer prepared to work with us in order facilitate apprehension at convenient point. This may be fairy story even though person who brought news is completely trustworthy. Latter, however, may be misinformed. However, will follow matter closely and report developments. At moment no question of payment by us has been raised, as Zurich

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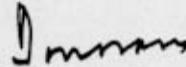
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MAR 8 1974

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lawyer and his contacts apparently would have no scruples in taking the Nazis' money. My intermediary expressed surprise that Goering and Ley could not get plane for Spain trip. Zurich lawyer replied too closely guarded, but might be able to get near Swiss frontier."



William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

2 November 1944

~~SECRET~~

Miss Grace Tully
The White House
Washington, D. C.

Dear Grace:

I would appreciate it very much if you would bring the attached memorandum to the attention of the President as soon as possible.

Thank you.

Sincerely,

W. J. D.
William J. Donovan
Director

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By WBS Date MAR 8 1974

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

2 November 1944

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file

MEMORANDUM FOR THE PRESIDENT

We have just received the enclosed report from our representative in Bern. This report, which I believe you will find most interesting, describes the last days of the Horthy regime in Hungary.

Donovan
William J. Donovan
Director

Attachment

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE 30 October 1944

#234

FROM	Berno	HFG	PRIORITY
TO	DIRECTOR, OFFICE OF STRATEGIC SERVICES		ROUTINE
DISTRIBUTION			DEFERRED
(FOR ACTION)		(FOR INFORMATION)	

RECEIVED IN PLAIN TEXT

HUNGARY

Here is the inside story of what took place at Budapest on and prior to October 15, as given by a highly reliable Hungarian source:

The Regent's son, Nicholas Horthy, jr., left the Royal Palace in the morning, intending to hide himself somewhere in the city, as he felt he was no longer safe in the Royal Palace. The Gestapo followed him, but he managed partially to elude them and succeeded in entering a private house in a well-known street on the opposite side of the river from the palace. The Gestapo had a general idea where he had gone, but did not know the exact house in the block. They then played a well-known trick by throwing a bomb in the open street, then claimed that a bomb outrage had been perpetrated and took this excuse for searching all the houses in the block, and finally found young Horthy.

According to the Regent's plan, his address announcing that he was asking for an armistice was not to be delivered until Tuesday, the 17th. However, when the Regent learned that his son had been arrested, he and the government felt that they must forestall Nazi action, which they knew had already been prepared. The radio address of the Regent was then read on the radio Sunday, October 15. The radio building was surrounded by units of the Cadet Corps of Budapest, who are loyal to the Regent. The address was read through twice, and the third reading was interrupted because German armored columns and infantrymen with tommy guns broke through the cordon of the Cadet Corps, whose members were inadequately armed only with rifles. According to the report, twelve of the cadets were killed. After having taken over the radio station, the Germans immediately surrounded the Royal Palace with armored columns, tanks, and even heavy guns, and sent an ultimatum to the Regent, who, however, then refused to surrender. Thereupon, the Germans opened fire on the Royal Palace. The Regent's bodyguard resisted, and some forty to fifty of them were killed, including the Regent's aide-de-camp, Major Toszt. After resistance which lasted some hours, the Regent and his followers surrendered, as they felt that further resistance was impossible. Traces of the bombardment can be seen on one wing of the Royal Palace. The Germans immediately put the Regent and his family in an armored car and took them away to Germany. All stories about the withdrawal

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

REF. No. 234

FROM Berne TO DIRECTOR, OFFICE OF STRATEGIC SERVICESRECEIVED~~RESTRICTED~~

of the Regent's proclamation and his acceptance of Szalasi as Prime Minister and Deputy are false.

It should be noted that about the 5th of October the Commander in Chief of the town of Budapest, General Bakay, was kidnaped by the Gestapo, and a few days later he was found dead in a suburb of Budapest. General Bakay had been instructed by the Regent to concentrate loyal troops in Budapest. Also, some time between the 5th and 10th, Hennyey, the Foreign Minister, had informed the German representative in Budapest, Vesenmeyer, that Hungary was unable to resist Russia any longer, and he requested Germany to withdraw their troops to the western frontier, stating that, anyway, the Hungarians had the intention of carrying out only rear-guard actions against the Russians. He also informed the German representative that Hungary would ask for armistice terms. Thus the Germans were forewarned and prepared.

Some parts of the First Hungarian Army, together with its commander, General Miklos, is reported to have gone over to the Russians. It is not known exactly how much of the First Army succeeded in getting away, as some of the units were brigaded with Germans and could not do so. The commander of the Second Army, General Veress, is said to have attempted to go over to the Russians, but was arrested by the Germans with his staff. It is not known whether any of his troops succeeded in going over, but it is believed that the First Army's action has certainly helped to open the Carpathian passes to the Russians.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

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2 November 1944

Miss Grace Tully
The White House
Washington 25, D. C.

Dear Grace:

I believe the President will be interested
in the attached report. Will you kindly see that
it reaches his desk.

Thank you.

Sincerely,

Bill

William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

2 November 1944

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file →

MEMORANDUM FOR THE PRESIDENT

I believe you will find of interest the following report which we have just received from our representative in Rome concerning plans for the formation of a new Italian Cabinet:

"Plan Socialist and Action parties reformed Cabinet under guise that Garandini and Sforza appointments unbalance Ministers with Portfolio section, but basic structure of Cabinet retained. See ouster of Ministers of Interior, War and Foreign Affairs. Do not plan elimination of Bonomi because lack successor, Orlando and Badoglio being acceptable. Degasperi refused Minister of Interior. Tarchiani for War Minister post. Hope revived. Government more acceptable to North."

Donovan

William J. Donovan
Director

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By Authority of CIA

007622
By ABJ Date MAR 8 1974

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~SECRET~~

2 November 1944

Miss Grace Tully
The White House
Washington 25, D. C.

Dear Grace:

I believe the President will be interested
in the attached report. Will you kindly see that
it reaches his desk.

Thank you.

Sincerely,

Bill

William J. Donovan
Director

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By Authority of CIA

007622

By ABJ Date MAR 8 1974

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

3 November 1944

Miss Grace Tully
The White House
Washington 25, D. C.

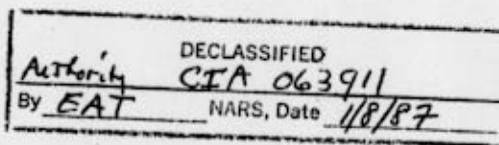
Dear Grace:

I believe the President will be interested
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that it reaches his desk.

Thank you.

Sincerely,

WJ Donovan
William J. Donovan
Director



Document found in the O'Connor-Farber Collection of Materials
relating to FDR's Estate. Opened for research July 22, 1987.

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

3 November 1944

MEMORANDUM FOR THE PRESIDENT

I believe you will be interested in the following report which we have just received from an OSS representative in Yugoslavia. Our representative who has been in the vicinity of Belgrade made this report after observing the battles of Avala and Belgrade and talking to Russian officers and soldiers.

"1. MILITARY

A. Russian motor transport appeared about 90 percent American made.

B. Russian troops seemed tired, business-like and intent on fighting job. While reluctant to fraternize with local Serb populace in towns and villages they were good-natured and polite to interested and curious groups of young men and women who surrounded them at every opportunity. Many civilians, however, kept in background and regarded Red army with coolness, contrasted with enthusiasm when jeeps of American and British Missions appeared with flags flying.

Document found in the O'Connor-Farber Collection of Materials relating to FDR's Estate. Opened for research July 22, 1987.

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By EAT	NARS, Date 1/8/87

C. In small towns and villages near Belgrade zealous partisans erected triumphal arches welcoming Russians with slogans stressing brotherly feeling towards Soviet Union.

D. Russian officers, 'official line' on partisans immediately following Avala battle was 'brotherly union in common struggle shoulder to shoulder', etc., and Russian soldiers sincerely praised partisan fighting qualities.

E. Heaps of German dead evidenced partisan practice of 'liquidating' Germans on spot rather than taking prisoners. Russian officer deprecated this practice as perhaps wrong 'politically' but excused it on basis of horrors suffered at hands German invaders.

"2. POLITICAL

A. Mihailovich now virtually eliminated as military and political force, leaving Tito no effective opposition except for Germans and quislings. Population either pro-partisan or apathetic and little recruiting for political opposition in future.

B. Red Army present in force and people believe it ready to assist partisans in 'maintaining order' against

any rival movement.

C. Externally, Tito can expect Russian diplomatic support so long as he toes mark, which is assumed he is prepared to do. Tito can expect strong support leftist elements in western democracies.

D. Tito, however, cannot operate independently of his followers. Partisan movement largely recruited from youth and is tough and strong from 3 years, intensive fighting but has neither organization, cohesion or discipline such as found in Russian Communist Party.

E. Many young partisans genuine idealists and feel Tito's Avnoj government only legitimate authority and Subasic represents only reactionaries without valid mandate. Tito must move cautiously to avoid antagonizing different elements of his movement.

F. Subasic holds relatively weak cards including possible withholding London and Washington recognition and Anglo-American relief unless unification of his and Tito governments accomplished 'decently'. Monarchist sentiment in Serbia may be appeased by inclusion of members of Subasic cabinet in government of union.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

3 November 1944

Miss Grace Tully
The White House
Washington, D. C.

Dear Grace:

I believe the President will be interested
in the attached reports. Will you please see that
they are placed on his desk.

Thank you.

Sincerely,

Bill

William J. Donovan
Director

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O.S.S. folder 5-44

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

3 November 1944

MEMORANDUM FOR THE PRESIDENT:

Following my memorandum to you of 30 October, the information below has just been received from the OSS representative in Stockholm:

On 2 November the Soviet Control Commission, which four days earlier had halted Finnish demobilization, ordered demobilization to be resumed on 8 November. The order to stop demobilization, which was given without explanation to the Finnish Government, was at first taken to mean that the Soviets had perhaps finally accepted the bona fide character of Finnish action against the Germans and perhaps also as an indication of respect for the ability of Finnish troops in winter fighting. The temporary relief which this had afforded to Finnish worries was further enhanced by removal of the Soviet ~~Nineteenth~~^{Twelfth} Army Corps staff headquarters from the Salla sector [east of Rovaniemi] to the north arctic front. The latter action may have been a consequence of heavy Soviet losses in the Petsamo area, which have been reported by reliable Finnish sources.

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By Authority of CIA

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Date JUN 11 1973

William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

3 November 1944

Miss Grace Tully
The White House

Dear Grace:

I believe the President would be interested
in the attached report. Will you kindly see that it
reaches his desk. Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Attachment.

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By Authority of CIA

007622

By DB Date JUN 11 1973

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055 folder 3-44

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

3 November 1944

PSF

Miss Grace Tully
The White House
Washington 25, D. C.

Dear Grace:

I believe the President will be interested
in the attached report. Will you kindly see
that it reaches his desk.

Thank you.

Sincerely,

WJ

William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

3 November 1944

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By Authority of CIA

MEMORANDUM FOR THE PRESIDENT

007622

By ARJ Date AUN 1 1944

You may recall that on 28 October 1944 we forwarded to you a report from our representative Mr. Bernard Yarrow who, in the course of describing a conversation between King Peter and Mr. Churchill, gave the first intimation that Subasic was contemplating a regency. Another report which we have just received from Mr. Yarrow concerning a recent Tito-Subasic agreement indicates that Subasic has taken definite steps to carry out this intention. This report reads as follows:

"The King received a telephone message from Sir Alexander Cadogan requesting an audience at 2:30 P.M. on 2 November. Cadogan stated he had a message from Mr. Churchill and handed a written memorandum the text of which is as follows:

'Memorandum on agreement reached between Marshal Tito and Dr. Subasic. In accordance with the terms of this agreement, King Peter would appoint a council of 3 regents to represent his Majesty in Yugoslavia, pending the decision of the country on the

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ultimate form of government. It is proposed that the regents will be M. A. Stanojevic, M. Dusan Sermec, and M. Anti Mandic. The regents would form a government of 18 ministers from the members of Dr. Subasic's government and of the National Committee. It would be the task of the united government to conduct the plebiscite which would eventually decide upon the form of government of the country. Meanwhile, the Avnoj would remain the supreme legislative body. The National Committee agree, pending the plebiscite, that the form of government should remain a constitutional monarchy and Dr. Subasic hoped to obtain from them a public declaration to this effect. The proposed government would consist of all the members of Dr. Subasic's government and all the members of the National Committee. The Prime Minister would be Marshal Tito, who would also be Minister of Defense and Commander-in-Chief. Brigadier MacLean is on his way back to this country with the full details of the proposed agreement. Dr. Subasic is proceeding to Moscow as soon as possible for two or three days, in order to ascertain for himself the attitude of the Soviet Government towards Yugoslavia.

DECLASSIFIED Southern Department, 2nd November, 1944.'

By Authority of _____

CIA 007622
JUL 22 1973

By WBS Date _____

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"Cadogan then asked the King whether he had any message for Mr. Churchill. The King stated, 'Please tell Mr. Churchill that Subasic has done all this without authorization from me. I merely empowered him to discuss the formation of a new combined national government and enjoined him specifically from making any commitments until and unless he consults with me. I was shocked by this agreement and I shall not accept it.' Cadogan then informed the King that Mr. Churchill expressed consternation at sudden departure of Subasic for Moscow without first reporting to Churchill and to King Peter. He further stated that he was not consulted by Subasic as to details of the agreement. Churchill accordingly, said Cadogan, sent a cable to the British Ambassador in Moscow instructing him to ask Subasic to proceed immediately to London to report to King Peter and Churchill. Churchill also sent cable to Stalin informing him that neither Churchill nor King Peter here consulted by Subasic during his conference with Tito with respect to agreement and specifically asked him not to make any decisions until Churchill had opportunity

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By ABJ Date JUN 11 1973

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- 4 -

to get a complete report of the agreement and until King Peter had opportunity to study same.

"M. A. Stanojevic is the leader of the Serbian Radical Party who are devoted to the King. M. Anti Mandic is the Moslem leader of the Croatian Peasant Party and of the same affiliation as Sutej, member of present government."

We have also received from our representative in Belgrade a concurrent report concerning the Tito-Subasic agreement which is particularly interesting because it describes Subasic's own views toward the agreement.

"It is reported that Subasic and Tito have reached accord and are now drafting agreement. A combined government is envisaged using all members of the Subasic cabinet of 6 and the National Committee of Liberation consisting of 12. We presume Tito will be Premier and will probably set up a device such as a regency to rule during the absence of the King and until a plebiscite is held on constitutional question.

In the interim a constitutional monarchy form of

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ABJ Date JUN 11 1973

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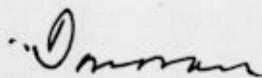
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- 5 -

government would prevail.

"I saw Subasic on 1 November and he confirmed the data in paragraph one herein including regency setup. Subasic said that Tito was very reasonable although urged by followers who are anxious to set up a federated republic immediately. Subasic indicated the regency compromise agreement by Tito was only to obtain immediate recognition of United States and England. If this recognition is withheld I feel that the agreement might weaken.

"Subasic plans to go to Moscow tomorrow for three or four days and will sign agreement when he returns provided presumably Peter agrees."



William J. Donovan
Director

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By WJL Date JUN 11 1973

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TOP SECRET

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

4 November 1944

Miss Grace Tully
The White House
Washington 25, D. C.

Dear Grace:

I believe the President will be interested
in the attached report. Will you kindly see that
it reaches his desk.

Thank you.

Sincerely,

Bill

William J. Donovan
Director

DECLASSIFIED	
CIA 063911	
By EAT.	NARS, Date 4/8/87

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

4 November 1944

MEMORANDUM FOR THE PRESIDENT

I believe that you will be interested in the following message which has just been received from an OSS representative in London concerning a delegation of Slovak resistance leaders recently evacuated from Czechoslovakia:

"1. On 7th October on return from OSS supply operation we brought out delegation of Slovak resistance leaders. They reported to Czechoslovakian Government London on arrival 12 October. They are giving most valuable information to us and British.

"2. Delegation consists of Jan Ursiny, agrarian leader New Liberal Party; Laco Novomesky, representing Communist Party; Lt. Col. Vesel, for Slovak Resistance Military Command.

"3. They established following basic points in their report:

(a) Slovak resistance, in recent days driven to mountains, has from first been in favor reestablishment of Czechoslovak Republic.

DECLASSIFIED	
CIA 063911	
By <u>CAF</u>	NARS, Date <u>1/8/87</u>

Document found in the O'Connor-Farber Collection of Materials relating to FDR's Estate. Opened for research July 22, 1987.

(b) Plans for rising laid by radio contact between Slovakia and London for past 9 months.

(c) Action in Slovakia in main regular warfare and not Partisan warfare.

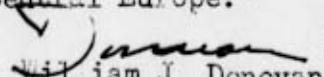
(d) Czechoslovak Army regulations adopted to displace those of Tito regime.

(e) Idea of single state prevails over all talk of federation between Czechs and Slovaks.

(f) CSS supplies came at most strategic time when Slovaks began to despair of help even from Russians.

"4. Since fall of airfield we used, we are continuing search for ways and means resupplying resistance by dropping operations.

"5. Since it is impossible to return delegation to Slovakia, believe it would be of considerable importance to bring them to U. S. to report to military and political authorities as first and most recent group coming out of Central European underground movement. President Benes and Jan Masaryk have given their tentative concurrence. The fact that such a group reported to Americans as well as to Russians and British would have great significance in Central Europe."


William J. Donovan
Director

PSF: O.S.S folder 5-44

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

4 November 1944

Miss Grace Tully
The White House

Dear Grace:

I believe the President would be interested in the attached radiotelephone message from our Berne office, concerning the present crisis in civilian transportation in Germany. Will you kindly see that it reaches his desk? Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Enclosure.

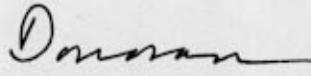
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~RESTRICTED~~

4 November 1944

MEMORANDUM FOR THE PRESIDENT:

I believe that you will be interested in the attached radiotelephone message from our Berne office, concerning the present crisis in civilian transportation in Germany.



William J. Donovan
Director

Enclosure.

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE 2 November 1944

#235
235

FROM Berno	IIBG	PRIORITY
		ROUTINE
		DEFERRED
TO DIRECTOR, OFFICE OF STRATEGIC SERVICES		
DISTRIBUTION		
(FOR ACTION)	(FOR INFORMATION)	

RECEIVED IN PLAIN TEXT

GERMANY

The crisis in civilian transportation in Germany is well set forth in the following article in the Nationalzeitung of Basel of November 1:

"In the larger German towns travelers are forced to walk a long distance to catch a train. In most instances, the old stations have been destroyed and replaced by temporary structures outside the city limits. There are practically no connections with these makeshift stations. There are practically no porters, so passengers have to carry their own luggage. Often travelers find out when they arrive that the train is several hours late. There are no waiting rooms except the cellars of ruined houses. When the train finally arrives, it is packed to the doors. The only way to get in or out is through the windows. The Reichsbahn no longer registers baggage, so the congestion is increased by the travelers taking their bags with them. In compartments planned for eight persons at least twelve will be sitting or standing. Travelers and luggage completely fill up the corridors so that it is impossible to get through. Travelers are obliged to spend hours or even days in the same train without room even to move. Many faint from exhaustion.

"A year ago it took fourteen hours from Berlin to Basel. Today, at least four days are required for the same trip. Even between Stuttgart and Schaffhausen, normally a journey of four hours, it now generally takes two or three days. It often happens that a train suddenly stops at a station and goes no further. There is no such thing as a dependable timetable, and if a passenger gets off he runs the risk of missing his train when it finally leaves. The travel restrictions are very severe. A traveler must submit an application proving the necessity of the travel before he can get the ticket and a permit from the Nazi authorities. All this is of no use in stations where there are no gates. Passengers then pile into a train, knowing that no conductor would ever come along to collect the tickets. If they have the bad luck to run into a guard, they are put off the train and have to go through the same rigamarole again.

"There is also the danger of air attacks anywhere in Germany. Naturally the aviators overhead cannot tell whether the trains carry troops or not and attack indiscriminately, making the locomotives their first

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

REF. No. 236

FROM Berno

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

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objective. It is not a pleasant feeling to travel under such conditions. On the short line between Coblenz and Cologne, travelers have had to leave their train and take to nearby woods for shelter four times. The locomotive engineer gives a special signal in case of danger, and the passengers pile off as soon as the train stops. In many cases the *** comes too late. It is reliably estimated that from forty to fifty travelers are killed daily as the result of bombing. One would think that this would act as a deterrent to railroad travel, but it does not, as the people trust to luck, feeling that they have just as good a chance in a train as in some air-raid shelter. This sort of fatalism is widespread. Travelers are willing to run the risk. They are no safer anywhere else. It is a case of everyday dangerous living. Matters are made worse by the fact that freight trains have priority which run by night for greater safety, while passenger trains run by day. Even then, they have to wait everywhere for army trains."

In viewing this situation, however, it must be borne in mind that the Nazis are not particularly interested in encouraging civilian travel, and, of course, give all priorities, as the article indicates, both to army and to freight trains.

A recent article in the Neue Zuercher Zeitung, from its Berlin correspondent, develops the point which I have mentioned several times, namely, that one of the chief trends of German propaganda is to misrepresent the situation with respect to countries freed or occupied by the Allies. Here is an excerpt from this article: "The German press is careful to record all incidents in territory occupied or liberated by Allied and Russian troops which tend to show that conditions there are getting worse. Political and social developments are thoroughly analyzed to try to prove that the general situation in areas formerly occupied by the Germans has not improved but is taking an unfavorable trend. The German press even claims that chaos prevails in most of the countries occupied by the Allies. This is taken as an indication of the danger of bolshevization, which has always been proclaimed by Germany. The recognition of de Gaulle is interpreted as a move to forestall the threatening anarchy in France. Comment on the situation in Italy and Belgium follows the same line, and the fact that a neutral country like Spain is indirectly affected by conditions in Western European countries is used to strengthen the argument. The representations by the Spanish Ambassador in *** are featured to show that Berlin's repeated warnings to their Spanish friends have been proved true all too quickly. In the Nazi view, signs of increasing bolshevization are apparent in the Anglo-Saxon zones of occupation almost as much as in the territory occupied by the Soviet Army. It is obviously the intention of German propaganda to bring developments in Eastern and Western Europe under a common denominator and to paint a picture which would confirm *** of the Germans.

As regards the Volksturm, here is a story of some interest, even though it may be a somewhat isolated incident. An Italian woman, living here in Switzerland, recently came to see a friend of mine. It was dif-

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

REF. NO. 236

FROM Berne

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

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difficult to say whether she was more grieved or perplexed. She said that her husband, who is now fifty years of age, of German nationality, had all of a sudden made up his mind to go to Germany and join up. The woman asked my friend if he could understand what had happened to him. He was a nice, quiet, generous person, devoted to his wife and children, a man who had so far done his best to escape conscription, such was his hatred of Nazism. Suddenly, one morning, this man said he must go. It appears that a card from his mother in Berlin, in which she told him that he might be called to serve his country, was the cause of his unexpected decision. He gave no explanation, but, as his train was about to start, he told his wife and her relatives that he did not expect them to understand, but that he could not bear it to feel a deserter. He did not ask them to sympathize with him for having to part with his family, a thing which was just as hard for him as it was to go and fight under a detested regime, but he had to go, and off he went. The woman told my friend that there something weird about him after he had made up his mind to go -- something which commanded their respect.

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O.S.S. folder 5-44

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

file

6 November 1944

MEMORANDUM FOR THE PRESIDENT

I am taking the occasion of the recent shift of Command in the Far East to ask you to review briefly the position of this Agency in China.

Without an active organization in China, OSS cannot perform its principal function in the Pacific War--i.e. to collect information necessary for the defeat of the Japanese enemy and for the making of informed decisions on the ultimate peace settlement in the Far East.

The Chinese have not been anxious to have an American intelligence service in China. For a long period they opposed every effort on our part to establish ourselves there. SACO was the first breach in this resistance. Under its terms we were admitted to China in April, 1943, but only as subordinate partners of General Tai Li's Chinese intelligence service. This organization is not a true external intelligence service, but is concerned almost entirely with internal political security. For General Tai,

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By Authority of CIA

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By ABJ Date JUN 11 1973

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SACO was an opportunity to receive material support and an assurance that, if OSS must be accepted in China, at least its activities would be under his own control and constant surveillance. For OSS, SACO was a foot in the door, a first step.

For eight months after SACO we tried to abide faithfully by its terms and to carry out our functions within the limitations it imposed. But the position was an impossible one. So far as OSS is concerned, no intelligence or operations of any consequence have come out of SACO since its inception. Lack of "Hump" tonnage and other factors may have contributed to this result, but the essential reason is that we were placed under the operational control of men determined that we should not carry out our principal function, i.e. to produce intelligence.

I discussed this situation with you shortly before my trip to China last November. You will recall my saying then that our experience in China reinforced our experience in other theaters, that we cannot do our job as an American intelligence service unless we operate as an entirely independent one, independent of the Chinese and of our other Allies. You agreed with me and authorized me to say to the Generalissimo that

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By DJS Date JUN 11 1973

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- 3 -

we must be permitted independence of operations. As a result the existing arrangements under SACO were modified in an effort to make possible this independence. The restrictions were loosened somewhat but the ultimate control of General Tai and the exclusive character of the SACO arrangement remained. In addition, I offered to General Chennault on my own responsibility the services of OSS trained men and our intelligence resources. These he was glad to accept and there was set up under the 14th Air Force the AGFRTS organization, manned and operated by OSS, of which I sent you a brief account in my memorandum of 1 July 1944. We also succeeded in sending to China several other intelligence representatives, outside of SACO, who report directly to our Commanding Officer there.

The substantial quantity of useful intelligence which we have produced in the past six months through these new sources, and particularly the AGFRTS network stand in marked contrast to the dearth of accomplishments under SACO. We are now collecting a large proportion of all intelligence produced through American sources in the China theater. I am confident that this is but an indication of what can be done, granted the essential condition of independence.

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By DBA Date JUN 11 1973

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- 4 -

General Tai has, of course, known of our interest in AGFRTS from the beginning. He has now been officially notified of it.

I am sure the time has come to establish OSS in China as I have believed from the beginning it should be established there. That is as an independent intelligence collection service responsible directly to the American Commanding General and in a position properly to service him, the subordinate U.S. air and ground forces in the China theater, and other interested theater commanders such as Admiral Nimitz and General MacArthur. I was about to make this proposal to General Stilwell and have now submitted it to General Wedemeyer. I hope that it will meet with your support.

This is not to say that we propose withdrawing from SACO. We shall continue to support SACO, even though it presents serious security dangers, until the time when it becomes impossible to continue doing so.

The real task, however, is to insist upon establishing an independent American intelligence service in China, in spite of Chinese objections. We have fought for the right from the beginning, from the time when we were barred

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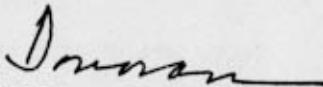
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By DBS Date JUN 11 1973

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- 5 -

from China altogether and later in the SACO period when we were entirely subject to Chinese control. The success that we can show as a result of the very slight opportunities for independent operations during the past six months proves what can be done with real freedom of action.

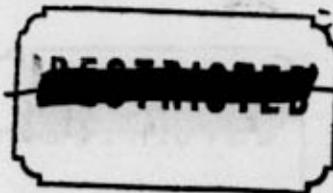

William J. Donovan
Director

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By Authority of CIA
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By NSA Date JUN 11 1973

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PSF; O.S.S. folder 5-44

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.



6 November 1944

Miss Grace Tully
The White House

Dear Grace:

I believe that the President would be interested in the attached radiotelephone message from our representative in Berne, concerning (1) Nazi reaction to steps the United States has taken in occupied German territory fixing the rate of the mark at ten cents, and (2) political conditions in liberated France.

Will you please see that the report reaches his desk? Thank you.

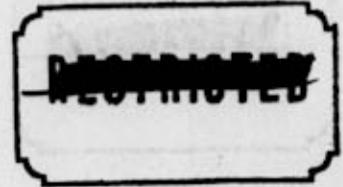
Sincerely yours,

Bill

William J. Donovan
Director

Enclosures.

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.



6 November 1944

MEMORANDUM FOR THE PRESIDENT:

I attach hereto copy of a radiotelephone message from our representative in Berne, which I think you will find interesting. This report concerns (1) Nazi reaction to steps the United States has taken in occupied German territory fixing the rate of the mark at ten cents, and (2) political conditions in liberated France.

William J. Donovan
Director

Enclosure.

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE	3 November 1944		#236
FROM	Berne	IIIC	PRIORITY
			ROUTINE
			DEFERRED
TO	DIRECTOR, OFFICE OF STRATEGIC SERVICES		
DISTRIBUTION			
(FOR ACTION)		(FOR INFORMATION)	

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GERMANY

The Nazis are obviously disturbed at the action we have taken in the occupied German territory fixing the rate of the mark at ten cents. They feel that, in so doing, we are trying to create an inflation in Germany and to defeat their rigid price control scheme. They are apprehensive of the effect this will have on opinion in Germany when it becomes generally known. Of course, insofar as concerns any intrinsic value of the mark, or even its value in terms of free currency, such as the Swiss franc, the rate of ten to the dollar is highly flattering to the mark.

In this connection, a well-informed anti-Nazi German has suggested that in all our propaganda and in the decrees of the occupying forces referring to currency we refer to the Reichsmark as the "Hitlermark". In this way, in the minds of the German people, according to this observer, we could help to tie the present German currency to the Nazi regime, and when the first Reichsmark is made convertible to other currencies, presumably at some rate which will be highly disadvantageous to the Hitler mark as compared to its present unofficially controlled value, it would help to impress on the people the responsibility of the Nazi regime for the depreciation of their currency.

FRANCE

A very keen observer, who has just arrived from France, has this to say:

The Communists are slipping, as perhaps they suspect de Gaulle of wanting to take advantage of what they hope is a momentary coolness towards them, to cut the ground from under their feet. Their appeals to republican legality and democracy show they are pretty hard up. The country is sick and tired of the boasting and rowdiness of the resistance. Every one says that their "liberation" of Paris was a sinister farce. The Germans were leaving anyway, and if the resistance had kept quiet there would have been no loss of life. As it was, 824 French people were killed, nine-tenths of them by wild shooting by the resistance. The resistance appears to most sober-minded French as a boasting club, whose real object is to oust competent officials from their jobs under pretense of "purging", and put in resistance job-seekers.

All signs point to the fact that France is neither Communist nor

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

REF. No. 236

FROM Berns TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

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clerical, but Radical, and that, if the municipal elections are really held in February, in spite of desperate efforts on the part of the Communists to stop them, the elections will show that the old Radical Party is still the strongest throughout the country. There are recurrent stories, possibly with some foundation, about a plot for a military coup d'etat being brewed by some generals and admirals. Some people think that de Gaulle is giving the plotters their head, calculating that they will get rid of the Communists for him, and that he will be able to cope with the command of them when the time comes. In other circumstances, the Radical and other bourgeois elements might want to keep the military in their place, but the whole country is so disgusted with the FTP and analogous resistance excesses that the Communists are finding very little support in their attempt to make a stand.

De Gaulle personally is unchallenged, except by the Communists. My informant, who saw de Gaulle, was struck by the signs of fatigue in his face, much greater than the photos and films show. He mentioned this in conversation with some persons who see de Gaulle constantly, and who confirmed this.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

6 November 1944

MEMORANDUM FOR THE PRESIDENT

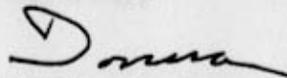
The following information was received from our representative in Bern, who had obtained it from a German source:

SUSPECTED AGENTS

Two crew members of the Gripsholm are said to have been apprehended for having in their possession memoranda concerning rocket bombs and the new German gas. Little information was obtained. However, one man, Schmidt Hanzer (sic), is also said to have had memoranda pertaining to illegal entrance into Denmark.

The Germans do not know whether these men are enemy agents, or whether they are free-lance reporters for a United States newspaper. For this reason, they have not decided what steps should be taken.

Sincerely,



William J. Donovan
Director

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By Authority of CIA

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By ABS Date MAR 8 1974

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

6 November 1944

Miss Grace Tully
The White House
Washington, D. C.

Dear Grace:

I believe the President will find of interest the attached report. Will you kindly see that it reaches his desk.

Thank you.

Sincerely,

Bill

William J. Donovan
Director

DECLASSIFIED
By Authority of CIA

007622
By DBS Date MAR 8 1974

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~SECRET~~

6 November 1944

MEMORANDUM FOR THE PRESIDENT

You may be interested in the following report which was received by our representative in Bern from a German source:

UNREST IN MUSSOLINI'S CABINET

The Allied successes in the Adriatic campaign are said to have thrown Mussolini's Cabinet into a panic.

In the middle of August 1944, the German Sicherheitsdienst reportedly believed that the sympathies of the following Italian Cabinet Ministers were wavering: Pavolini, Mazzolini, Mezzassoma, Buffarini-Guidi, Farinacci, and Vittorio Mussolini. Preziosi* was considered to be still faithful to Germany. However, in August Dr. Rudolf Rahn, German Ambassador to Italy, was asked to investigate him and his reply was that Preziosi was a maniac, fearful of treachery from every quarter.

There is said to be a difference of opinion on Buffarini-Guidi but he is known to have a talent for conspiracy. It is believed that it is for this reason that he is kept by the Fuhrer. Marshal Graziani is now thought to be definitely

*Giovanni Preziosi was a Fascist editor. In April 1944, he was appointed head of the General Office for Racial Problems.

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By WBS Date MAR 8 1974

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pro-Nazi, in spite of his original suspicion. Pavolini, who was the organizer of the Blackshirt Brigades, is reported to have been seriously wounded.

Mussolini is believed to be very often disheartened. The reasons for this are attributed first, to the setting up of military zones which makes it impossible for him to establish a government and second, to the pro-Germanization policy in the Tyrol. It is said that in the middle of September 1944, Mussolini even went so far as to declare that both Ministers Mezzasoma and Pellegrini were fatigued from their work, and that Rahn had difficulty in persuading him not to form a new cabinet. He did, however, agree to a change in the location of the seat of government. Sondrine is understood to have been considered for this purpose instead of Fasano on Lake Garda, but Carnia in the Tyrolean Alps was finally decided upon in accordance with the wishes of Field Marshal Kesselring. Mussolini is reported to have agreed to have Nazi soldiers stationed between him and the Swiss frontier.

The Fascist Cabinet Ministers are said to have refused the Nazis' offer to take care of their families in southern Germany at a place where 20,000 persons could be accommodated, on the grounds that they would also be in danger there. With

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Mussolini's consent, they requested German permission to send their families into Switzerland. It has been agreed that these families will proceed to Zurs in Austria, near the Swiss frontier, and that they will be provided with Swiss entrance visas* so that they can go to Switzerland if this should become necessary.

Donovan

William J. Donovan
Director

*Einreisesichtvermerk.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~SECRET~~

6 November 1944

Miss Grace Tully
White House
Washington, D. C.

Dear Grace:

I think the President will be interested in
seeing the attached memorandum.

Will you please see that it reaches his desk.

Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

DECLASSIFIED
By Authority of CIA
007622
By NB Date MAR 8 1974

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O.S.S folder 5-44

~~TOP SECRET~~
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

7 November 1944

Miss Grace Tully
The White House
Washington, D. C.

Dear Grace:

Will you be good enough to put the attached memorandum before the President immediately upon his return. I know that he will be interested in it.

Thank you.

Sincerely,

Bill

William J. Donovan
Director

DECLASSIFIED
By Authority of CIA

007622
By NPS Date JUN 11 1973

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

7 November 1944

DECLASSIFIED

By Authority of CIA

MEMORANDUM FOR THE PRESIDENT

009622

By [Signature] Date JUN 11 1973

Thank you for your memorandum with inclosure relative to post war intelligence.

I am afraid that the author is in the "horse and buggy stage" of intelligence thinking. His suggestion would hardly meet the basic requirements of the Armed Services, the State Department and other Executive branches of the Government.

It was the failure for all these years to appreciate the complexity of building and directing intelligence as well as subversive operations over a world-wide network that has made the problem so difficult for us in this war.

Despite these difficulties however, under your authority and with your support there has been established for the first time in our history an independent American Intelligence Service which has already won the respect of similar services in other countries.

Your correspondent suggests that OSS has been penetrated by the English Intelligence Service. If by

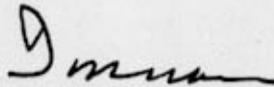
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- 2 -

penetration is meant that we have worked closely together with that Service in the spirit of cooperation that you have urged upon us, then the statement is true; but if more than that is meant, the statement is not true and on the contrary we have greatly profited by our working with the British and at the same time we have maintained the integrity of our organization.

In point of fact you would be interested to know that both our Allies and our enemies know less about our inner workings than we do about theirs.



William J. Donovan
Director

DECLASSIFIED

By Authority of CIA

007622

By ABJ Date JUN 11 1973

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

7 November 1944

Miss Grace Tully
The White House

Dear Grace:

I think that the President would find interesting the attached copy of a dispatch recently received from our Stockholm office. Will you be kind enough to see that it reaches his desk? Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Enclosure.

DECLASSIFIED

By Authority of CIA

007622

By WJL Date JUN 11 1973

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

7 November 1944

MEMORANDUM FOR THE PRESIDENT:

The following, which is a translation of a secret memorial prepared in the Finnish General Staff about 30 October, has been received from the OSS representative in Stockholm. This ante-dated the most recent order from the Soviets for the demobilization of Finnish troops, reported in my memorandum to you of 3 November:

"What Reasons Caused the Order Forbidding Demobilization.

"Taking into consideration the realistic thinking and planning of the Russians, it is obvious that some fully deliberated factor and no 'desire to brew up trouble' in general has caused the order forbidding demobilization. However, it seems that from the nature of the order of prohibition -- for the time being -- a conclusion could be drawn that some new situation is just being born and is now only under consideration. Inasmuch as from the retention of the army in standing we derive certain important benefits, and since in the matter of public opinion, the prohibition against demobilization can be laid on the shoulders of the Russians, this factor

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By DBJ Date JUN 11 1973

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must, in the opinion of the Russians, be one of importance. Similarly, it is not likely that the aim is at any harder objectives (the worsening of the Finnish economic condition, etc.) but that some concrete causative factor underlies the issue. An examination is made below of those factors which result to us directly from the prohibition of demobilization or those factors which may feel the effects of the order:

- "1. Weakening of northern military activities.
- "2. Stoppage of troop transfers southward which are under way.
- "3. Opinion (a) within the army and (b) within the homefront.
- "4. Labor supply situation.
- "5. Diet elections.
- "6. Government expenditures.
- "7. Economic condition (supplies), particularly public supply.
- "8. Termination of protective corps district and preparations for mobilization.
- "9. Controls over personnel.
- "10. Political situation.

"The following could be presumed to be the causative factors: The decision has been made in Moscow because of military reasons of which the personnel of the Control Commission would then be uninformed. It is probable that a demand will be

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By NBS Date

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made upon us for participation in military activities in Norway, since that can be claimed to be a part of the internment matter. This decision [may have been] arrived at with the cooperation of the British members of the Control Commission, in which event they have called attention to the difficulties of the demobilization in the manner as they appear in our analyses. As an inferential motive factor with them, there may have been matters of 'great politics'. It is, of course, clear that the English do not relish the advance of the Russians to the Atlantic seaboard. The thrust of the Finnish Army into Skibotten would render feasible the landing of English (on the Norwegian coast) which in turn would cut the advance of the Russians into south Norway and would also, in the event possible political differences developed, open a supply route to the Finnish Army. Naturally this has not been brought out. On the advance of the Finnish Army into Norwegian territory by force (of demands made upon it), the Russians will certainly demand transit rights regardless of whether the English hp (sic) Germans not landed in Norway.

"In any event, it appears to be a fact that with the prohibition against demobilization, results are being sought which should become apparent in the near future, and it appears reasonable that the matter concerns participation by the Finns in military activities in Norway, that the initiative is Russian

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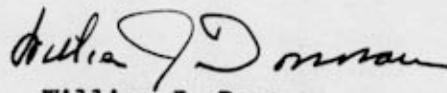
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By DBS Date JUN 11 1973

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- 4 -

or there is the question of the occupation of Finland, to occur before the freezing up of the shorewaters, and that the occupation would be facilitated by preventing the transfer of returning demobilized troops to their original reception centers in the west and south."



William J. Donovan
Director

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By ABL Date JUN 11 1973

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

O.S.S. folder 5-44

7 November 1944

Miss Grace Tully
The White House
Washington, D. C.

Dear Grace:

Will you please hand the attached
memorandum to the President?

Thank you.

Sincerely,

Bill

William J. Donovan
Director

Attachment

DECLASSIFIED
By Authority of CIA
007622
By WBS Date MAR 8 1974

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

DATE

NOVEMBER 6, 1944

FROM

7 November 1944

TO

MEMORANDUM FOR THE PRESIDENT

DISTRIBUTION

I attach dispatch containing a memorandum of the agreement between Prime Minister Subasich and Marshal Tito. This dispatch was received from the OSS representative with Prime Minister Subasich and the Yugoslav Government. I also attach a further dispatch from the same source indicating the reaction of the King to this agreement.

William J. Donovan
Director

Attachment

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By WBS Date MAK 8 1974

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE NOVEMBER 6, 1944

FROM USTRAVIC, LONDON

TO OFFICE OF STRATEGIC SERVICES

DISTRIBUTION

XXX ROUTINE

PRIORITY

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(FOR INFORMATION)

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By [Signature] Date MAR 8 1974

Sir Orme Sargeant, British Foreign Office handed King yesterday 5 November memorandum reading as follows:

"Agreement between Prime Minister of Royal Yugoslav Government and Marshal Tito. Obeying the principle of continuity of the Yugoslav State and the clearly expressed will of all Yugoslav Nations in their 4 years of struggle for a new and independent federative state built up on the principles of democracy, we desire and make every effort for the people's will to be respected at every step and by everybody, as much with respect to the internal organization of the state as with regard to the form of government, and therefore intend to comply with the fundamental and general principles of constitutional government proper to all truly democratic states.

"Yugoslavia being acknowledged among the United Nations in its previous form, and functioning as such, we will continue to represent our country in that way in the outer world and in all acts of foreign policy until the time when our state, the democratic federative Yugoslavia of the future, assumes by the free decision of the people the definite form of its government.

"Until that time, so as to avoid any possible tension of relationships in the country, we have agreed that King Peter the second shall not return to the country until the people have pronounced their decision and that in his absence the royal power should be exercised by a Regency.

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

FROM LONDON

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

REF. NO. 87214

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"The Royal Regency will be appointed by a constitutional act of the King, and in agreement with the President of the National Committee of Liberation of Yugoslavia and the President of the Royal Government, Dr. Subasic. The Regency takes its oath to the King; while the Government takes its oath to the people.

"In the agreement between the President of the National Committee of Liberation of Yugoslavia, Marshal Josip Broz Tito, and the President of the Royal Government, Dr. Subasic, with the approval of the Presidium of the Anti-Fascist Council of Liberation of Yugoslavia, it is decided that the government be formed as follows:

1. President
2. Vice-President
3. Minister of Foreign Affairs
4. Minister of the Interior
5. Minister of National Defence
6. Minister of Justice
7. Minister of Education
8. Minister of Finance
9. Minister of Trade and Industry
10. Minister of Communications
11. Minister of Posts, Telegraphs, and Telephones
12. Minister of Forests
13. Minister of Mines
14. Minister of Agriculture
15. Minister of Social Policy
16. Minister of National Health
17. Minister of Public Works
18. Minister of Reconstruction
19. Minister of Food
20. Minister of Information
21. Minister of Colonisation
22. Minister of the Constituent
23. Minister of State for Serbia
24. Minister of State for Croatia
25. Minister of State for Slovenia
26. Minister of State for Montenegro
27. Minister of State for Macedonia
28. Minister of State for Bosnia and Hercegovina

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By DBL Date MAR 8 1974

"This form of government in Yugoslavia remains until the decision of the constituent; that is, until the final constitutional organization of the state is established.

"The new government will publish a declaration containing the basic principles of democratic liberties and the guarantee for their

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

FROM

LONDON TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

REF. NO.

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RECEIVED

realisation. Personal freedom, freedom from fear, freedom of religion and conscience, freedom of speech, the press, meetings and associations, will be especially emphasised and guaranteed; and in the same way the right of property and private initiative. The sovereignty of the national individualities inside the state and their equal rights will be respected and guarded as decided at the 2nd session of the Anti-Fascist Council of Liberation of Yugoslavia. Any predominance of one nation over another will be excluded.

"President of the Royal Government. President of the National Committee of Liberation of Yugoslavia."

Sargeant stated that Churchill is in receipt of original of this memorandum and will consult with experts on Yugoslavia of British Foreign Office today 6 November and will see King within day or two thereafter.

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By DBD Date MAR 8 1974

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TOR: 11/6/44 5:57 p.m.

(vised)

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE November 6, 1944

FROM Ustravic London

TO OFFICE OF STRATEGIC SERVICES

OFFICE OF STRATEGIC SERVICES

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King saw me this afternoon, 6 November and stated that he will not sign proposed agreement under any circumstances. He regards it as complete surrender of his powers as King and that it is merely an attempt on part of Tito and Subasic to oust him without actually demanding abdication. King determined to present his views forcefully to Churchill and remind him of his promise made 2 weeks ago to reject idea of Regency and further remind him of his promise to recognize only government appointed by King. The fact that contemplated government is to take oath to people and not to King regarded by him as declaration of cessation of Constitutional Monarchy. King asked for my comments and I refrained from expressing opinion.

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By WBS Date MAR 8 1974

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TOR: 11/6/44 10:06 P.M.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

SECRET

7 November 1944

Miss Grace Tully
The White House
Washington, D. C.

Dear Grace:

I would appreciate it if you would bring
the attached memorandum to the attention of the
President.

Thank you.

Sincerely,

Bill

William J. Donovan
Director

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007622

By WBS Date MAR 8 1974

SECRET

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

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7 November 1944

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By Authority of CIA

MEMORANDUM FOR THE PRESIDENT

By WBS Date MAR 8 1974

I have received from one of my branches the following report which I am sure will be of interest to you:

"Yesterday evening at 6:30 Upton Close, on his regular coast-to-coast half-hour radio hook-up, told of the existence of documents concerning a secret Communist meeting held on 18 May in Mexico City, in which the over-all strategy of all Communist groups in the western hemisphere, working in close liaison with the Kremlin, was decided -- particularly, Communist and Kremlin backing of President Roosevelt via PAC in the election. His statement strongly implied that President Roosevelt was aware of the secret meeting and approved.

"These alleged documents were first publicized in the rightist Mexican press in mid-June and then used elsewhere in Latin America, particularly by Vargas Molinare, Deputy of the notoriously pro-Nazi party, Vanguardia Popular Socialista in Chile.

"The reputable Mexico City Tiempo described

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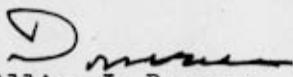
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the documents used by Molinare as 'sheer forgery'."


William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

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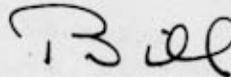
7 November 1944

Miss Grace Tully
The White House

Dear Grace:

The attached radiotelephone message from our Berne office will, I believe, be of interest to the President. Will you be kind enough to see that it reaches his desk? Thank you.

Sincerely yours,

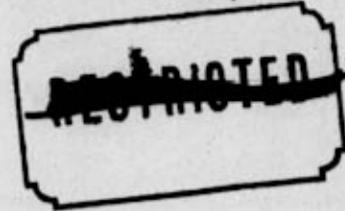


William J. Donovan
Director

Enclosure.

PSF: O.S.S. folder 5-44

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.



7 November 1944

MEMORANDUM FOR THE PRESIDENT:

I believe that you will be interested in the content of the attached radiotelephone message from the OSS representative in Berne. This message is a report of Swiss reactions to the Soviet refusal to resume diplomatic relations with Switzerland.

William J. Donovan
Director

Enclosure.

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE 6 November 1944

#237

FROM Dorne

IBG

PRIORITY

ROUTINE

TO

DIRECTOR, OFFICE OF STRATEGIC SERVICES

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GENERAL

The Soviet refusal to resume diplomatic relations with Switzerland has caused a considerable stir here. The press hints that this refusal was particularly surprising because the preliminary contacts between Swiss and Russian diplomats in London had given no grounds to expect any such reaction from Moscow.

The tone of the Soviet refusal and, in particular, the charge of fascist tendencies brought against Switzerland -- a most extraordinary and unfounded accusation -- has tended to unite public opinion and the press. Even the left-wing press expresses astonishment. The Socialist Tagwacht, after expressing the hope that the last word has not been said, adds, "We are not fascists. The Socialists reject this reproach. A little country that wishes to discuss frankly problems arising out of the past ought not to be treated so ruthlessly." This statement suggests that Russia should remember that it was Switzerland which sheltered Lenin and that it was, further, from here that he started on his voyage which led to the building of the new Russia.

The bourgeois press is unanimous in its indignation and repudiation of the Russian attitude and rallies to the support of the Swiss government's policy. In general, these papers suggest that the real reasons for the refusal are not those stated in the note, but the Russian desire to intimidate.

The Journal de Geneve brings out several interesting points. Here is a brief summary of this editorial: The men in Moscow are perhaps very ill-informed about the prevalent atmosphere in Switzerland, and some of their agents do not forgive the Swiss for having thwarted them. The Russians would perhaps have preferred not to handle the diplomatic relations question in London, but to have a Swiss diplomat travel to Moscow and make amends there. This idea would seem to not to deal with Switzerland as from one sovereign state to another, but to obtain, first of all, an act of deference, if not of humiliation. However close the Russians' relations may be with

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OFFICE OF STRATEGIC SERVICES

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OFFICIAL DISPATCH

237

FROM Berne TO DIRECTOR, OFFICE OF STRATEGIC SERVICES REF. NO.

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their Western allies, they grasp opportunities to emphasize that they do not want to collaborate with certain countries after the war. They do not reveal their intentions now, but prefer to allow them to be guessed by the line they take towards minor countries. Russia also wants to show its displeasure about Switzerland's commercial agreement with Germany during the war and its advances on clearing accounts. A further complication lies in the blocking of certain Russian balances here.

This action by Russia, coming on top of the Russian refusal to attend the Chicago conference, because of the presence of Switzerland, Spain, Portugal, etc., has tended to create the impression here that Russia is planning a political drive against those neutral countries whose policies over the past have not been pleasing to it.

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O.S.S. folder 5-44

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C. (25)

8 November 1944

MEMORANDUM FOR THE PRESIDENT

The attached reports have been obtained from a source who recently has served as "ecclesiastical consultant" at the French delegation in Rome and has had unusually close contacts with persons who have had direct association with the Pope on many matters. He has himself had audiences with the Pope and is a highly qualified authority on international affairs. He is believed to be very reliable.

Since it is essential that the source of these reports be protected, we are making them available only to the Secretary of State and to you.

Further reports in the series will be sent to you under the designation "Black Reports".

W. J. Donovan

William J. Donovan
Director

DECLASSIFIED
NND 804056
By *JMB* 6 Jan. '81

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Special Black Report

No. I (#28)

The Pope and France

My distinguished informant affirms that the Pope has never been pro-Petain, and thinks it probably true that the Pope may have said to Cardinal Gerlier that he cannot understand how the Cardinal did not see, from the beginning, that Vichy was an instrument of the Germans.

The Pope and Cardinal Gerlier

The Pope told my source personally (repeating the story on three different occasions, which proves he attaches importance to it), the story of his declarations to Cardinal Gerlier upon the occasion of his visit to the Vatican. My source stressed that Cardinal Gerlier has been made Archbishop of Lyon, Primate of France, and Cardinal by personal initiative of Pius XII. Other French bishops would not have agreed as Gerlier is considered rather superficial and inclined to complicated juridical distinctions. (He was a lawyer before his vocation to the priesthood). The reception was thus very cordial. At a certain moment the Pope asked: have the Germans kept the armistice conditions? Cardinal Gerlier answered rather lightly: naturally not, they are the conquerors. The Pope then rose and said severely: I cannot understand that a Prince of the Church accepts this. You should oppose this way of action. You should remember the sentence they engraved on a monument in Germany to their dead of World War I: "Invictis victi vineturi" ("To the conquered (the dead), the conquered who are going to conquer (dedicate this monument).")

My source said that Cardinal Villeneuve of Quebec with whom he spoke about an hour after the Canadian Cardinal's audience with the Pope, told him that the Pope had told him the same story about the visit of Cardinal Gerlier.

The Pope and an Eminent Catholic

My source gave another example proving that the Pope did not consider the Petain regime as worthy of much attention. At the end of 1940, my source had written a letter to his sister living in Vichy France. Although the letter passed through the Vatican bag, it was posted at Vichy by the Nuncio

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No. 1 (#28) (Cont'd)

- 2 -

(there was no open censorship). The secret Vichy censorship read the letter and sent it through to Petain. One of the sentences of the letter was extremely sharp, remarking that Petain, Laval, Darlan did not care much about the rest of France, having their interests in Vichy, France. Petain made an official protest to the Pope, demanding that my source be publicly reprimanded. Cardinal Maglione showed him the letter and made it clear that the Vatican would not act. At the next audience my source said to the Pope, jokingly: "You can now give the reprimand". The Pope made it clear he would not consider Petain's demand.

At the beginning, my source found it difficult to come into contact with French resistance. Copies of the "Cahiers du Temoignage Chretien" finally began to reach him through one of the founders who had to escape to Switzerland. Later he managed to get fuller documentation (resistance papers) through the Nuncio at Beyrouth. He made photostatic copies at the Vatican library and passed them on to the Pope and other persons. He has the impression they were well received. He also managed to convey messages to the French resistance, encouraging them. "This is known", said my source, "to DeGaulle. I know he is with us completely". My source has told the Pope he wants to inform himself, personally, of the situation in France, and immediately obtained his permission to visit France. My source is convinced some bishops will have to resign. He remarks that even after the landings, some bishops made pro-Vichy declarations.

Comments of the Author

The gravest error in trying to correct some situations in the French hierarchy would be to exact rapid measures. The Pope cannot accept precedents which would bring changes of bishops with each change of government tendency. But, by unobtrusive means, the necessary changes can be brought about after a certain time. A case in point would be the replacement of two Bishops, Monseigneurs De Juysa and Skrebensky, who had been too servile to the Austrian Emperor, after World War I, in Czechoslovakia.

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By JMB. 6 Jan. '81

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Annex to Special Black Report #1

In connection with the references to Cardinal Gerlier, I believe you will be interested in a report which came in from our friend in the middle of September, written in Algiers. We sent it to Belin for dissemination under date of September 19, 1944. As it is not very long, I quote it herewith for your information:

"From a Reliable and Intelligent Observer:

It is learned that Francois de Menthon, Georges Bidault (leader of the French "Counseil de Resistance" and former editorial writer of "L'Aube") and Catholic as well as non-Catholic leaders of the Provisional Government have decided to claim replacement of collaborationist bishops. There is a strong tendency to include the three Cardinals - Suhard, Gerlier, Lienart. They admitted that they may not urge the replacement of Cardinal Lienart, but are adamant on Cardinal Gerlier, as well as Cardinal Suhard. As for the latter, his errors have been so grave that this claim seems very reasonable. As to Gerlier, it is asserted that he was always protected by two Gestapo men. It is stated that, although he attacked the anti-Semitic stand of the Petain regime, he later retracted and made many concessions.

Cardinal Gerlier is declared to have maintained his lawyer-mentality and it is true that he started his studies for the priesthood only after he was a grown man. It is reported that Father Delos, ecclesiastical advisor of the French de Legation at the Vatican, has been well accepted by the Pope and, having the confidence of both parties, may be expected to exert a moderating influence."

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Special Black Report

No. II (#28)

The Pope and Germany

My source confirms that it is very probable that the Pope declared that Germany must be treated as a great nation. He says the Pope is very concerned with the fact that German Catholics whom he admires immensely, may be made very unhappy by the Allies. My source explains this special concern for the Germans by two psychological factors. First, in his immediate environment, there are strong German influences. His confessor, Fr. Leiber (Jesuit) is a German, his private secretary is a German priest, member of a religious order, the Sister who serves him is a German sister who has been taking care of his household since he was in Munich, the Superior of the Sisters who serves at the table in the evenings, and then talks with him, is a German.

Monseigneur Kaas (former head of the Center Party) is still very close to him. When the Pope has his holiday in Castel Gandolfo, Monseigneur Kaas also takes his vacation there and they converse repeatedly every day.

Baron Weiszacher is an extremely fine gentleman who has also won the sympathy of the Pope. (He visited my source when appointed, and was asked about the brutalities of the Nazis in Poland. In answer, Baron Weiszacher forwarded later the three official White Books of Berlin with the Polish "crimes").

The second psychological reason is that the Pope comes from a fine family which has, however, always lived in a small way and has an indelible impression of the magnificent way in which the Germans treated him. In general, a Nuncio, dean of diplomatic corps with many advantages, remembers this period with sympathy when he becomes an ordinary curia-Cardinal. My source knows how wonderful the Germans are in their ways of winning sympathy (in an organized, but seemingly honest way). The splendid torch manifestation of farewell of the Berlin Catholics to their Nuncio Pacelli is unforgettable (but probably had political organization behind it). Also the Pope who tried hard to make the peace in 1917 believes he is called to succeed this time.

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No. II (#28) (Cont'd)

- 2 -

My source stressed that these psychological factors are not conscious and that the Pope is exceptionally high in his motives and judgments. But he is of extreme sensibility and, although very humble, is very prone to be offended by people who do not approach him the right way and to have deep affection for people who do.

Comments of the Author

The only way to win the sympathy of the Pope for severe measures against Germany, is to start from the premise that German individuals will suffer much more from the Allies (and oppressed peoples) if some very visible change is not brought about to avoid recurrence of aggressions. If Bavarians, Rhinelanders, etc., become citizens of an independent state, federated or not, they will, the sooner, be rehabilitated than if they remain members of a powerful, incurably nationalist Gross Deutschland. Starting from the Pope's premise, it is possible to prove that hope for individual Germans is more solid, if no Catholic influences insist that Germany should remain politically great.

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Special Black Report

No. III (#28)

The Pope and Russia

My source is convinced that the Russians have not approached the Pope and that the Pope still holds that he must not make any opening. The reports of the only priest in Russia, corresponding with the Vatican, (the American Assumptionist, Father Braun), were still very pessimistic at the beginning of the war. They were interrupted for a time. Now they have started coming through again, they are still more pessimistic. Father Braun holds the leaders of Russia have not changed their ideas and cannot be trusted.

My source has tried to change this impression by communicating the results of his investigations, but is convinced that the conviction of the Pope is firmly rooted that the Russian Government has no intention of allowing any liberty, and intends to pursue the suppression of religion. My source is firmly convinced, since the beginning of the Russian revolution, that Russia will undergo the same evolution as France. He remarked that they copied the very methods of gradual suppression of the Church as the French revolution: first suppress convents, then exact oaths of fidelity for secular priests, etc. He thinks that what happened in France after ten years (Napoleon's opportunistic concordat) is bound to happen after twenty or thirty years in Russia.

He says he has proofs that the Russian people will come back to religion very quickly as soon as freedom is obtained. He quotes the following examples: Hungarian chaplains (and four of his men, of the Russicum, whom he managed to send with the Italian armies) reported that when they communicated that mass would be said, the Russians flocked from afar - sometimes 5,000 assisted at mass. The Russian prisoners were found to be rarely anti-religious: about sixty percent of the rural districts have learned their prayers in the family - in the cities, much less.

In Odessa, none of the churches have been destroyed by the Soviets, but they were mostly converted into places

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for archives, and were well kept. All the church properties, instruments, books, etc., had been carefully kept by the faithful who were not molested. In Galicia, also, the Russians have not destroyed churches, but the Archbishop Szepticky fears the taxes are too high to continue to be paid.

My source holds that the new tendency of tolerance towards religion, as well as private property, started as early as 1934 (although there were still two switchbacks of persecution). My source complains bitterly that he had received no literature from America for five years, and even since the liberation, only a few copies of TIME (which he appreciates and subscribed to before the war). He has relied mostly on Switzerland. He is going to get me his copy of the latest book of Piccard, "La Fin d'une Revolution". The novelist, who left Russia only recently, described the three kinds of Russians: the old-guard atheists, the people who kept their faith, and the young generation that is honest, moral, and begins to think that what they really need most is religion. He says that reports from Odessa, for instance, showed that there was nearly no prostitution - an honest and truthful social life; that the Germans, Italians and Rumanians introduced perversions. He concluded that the Americans, like the Russians, are a naturally honest and moral people, and that the great tragedy is that too many European Catholics are not honest.

The Case of the Russians in Rome

A certain day, last year, my source received the visit of one of the young priests at the "Russicum", Father Petchanor. This young Russian, educated in the Baltics, a convert, said he could not give his superior the reason for his frequent visits in town, and thus had difficulties. He explained how the superior, a Spaniard, who has the communist bogey complex in the highest degree, would not admit the reason for his visits: he was hiding Russian soldiers who had escaped from the Nazi labor battalions in Italy. My source arranged the matter by appointing a Belgian Father to give the young Russian priest the necessary permission, and warning the superior of this measure. Father Petchanor showed marvelous organizational qualities and was soon helped by an older Russian priest, Father Serge Obolensky, son of one of the great Russian families. The main hiding place was the consulate, or legation, or a house that had been abandoned.

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The Italian Vice-consul who had to take care of the building, performed these duties in picking flowers in the garden every day. He remarked nothing unusual and was thus extremely surprised, on the day of the liberation of Rome, to find the words USSR on the door, and an armed guard with the red Soviet armband, posted before the entrance. When he went inside, he found sixty Russian soldiers there with a priest in their midst. He started protesting, but Father Petchanor explained that they had saved the house from being requisitioned by the Allies, and soon the Consul was serving them the best champagne. When the representatives of Moscow arrived, they found a Russian committee of liberation formed: it took some time before they got used to the priest whom all the soldiers revered. Now they are so friendly that my source fears that Father Petchanor may give them too much information. My source had contributed funds to feed the Russian soldiers, and the Pope personally made a gift for this purpose. On the first day of the liberation, sixty soldiers with red USSR armbands, led by Father Petchanor, marched through the streets for the audience at the Vatican. They created a sensation, and were much impressed by the Pope's amiability.

Note: The reports in the American press, saying a "pope" (Russian Orthodox priest) led them, are thus incorrect. In fact, the Russian Orthodox priest refused to hide the soldiers out of fear of reprisals and hid one a few days before the liberation when there was no doubt the Germans were clearing out.

The Mentality of the Russian Authorities

My source had asked the Pope if he could ask Begomolov for information on the Catholic churches in occupied Poland. He received permission to do so orally, but not to make the request in writing. He missed a few opportunities to see Begomolov in meetings and talk about the matter unobtrusively. He then had a friend ask the question for him, and the rather curt answer was that my source could ask the question in writing. My source is determined to enter into relations with Begomolov, and the following little incident may help:

The Russian minister made an official visit to my source on the first days of his arrival. My source showed him his library; also the old slavic books on liturgy. The Consul was interested and read some prayers out of the book to show he knew the language-(the liturgical language differs from the

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No. III (#28) (Cont'd)

- 4 -

present Russian and this proves that the Minister had received a good religious education). My source then gave him, upon departure, a couple of reprints of his articles published in an American Quarterly. He described, when presenting the last article on "The Action of Ultra-violet Rays for the Restoration of Old Paintings", how he had made a little scientific discovery. The Minister then became enthusiastic and exclaimed: "A Cardinal who is a pioneer in Science!" My source was a chemist before he became a priest, and showed the Minister his elaborate scientific library.

My source is convinced that if the Russian leaders can come out of their isolation and see the Western World as it is, there will be great changes. He accepts my conclusion that the best policy is to multiply the contacts so that the division between the sectarian and isolated old-guard, and the open-minded and moderate groups, should develop into a permanent political balance.

Comments of the Author

The Pope is not sufficiently informed on Russia. Various channels should submit reports to him on the people - he reads everything he receives from a good source.

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Special Black Report

No. IV (w28)

The De-Italianization of Church Diplomacy

My source holds that the nearly exclusive Italian recruiting of nuncios, apostolic delegates, curia-monsignori, must cease principally for the reason that Italian tradition does not comprise habits of honesty and straight-forwardness. He points out that the other extreme would be worse: if a nuncio to France had to be French, etc. He holds an American nuncio, for instance, should be in France, a Belgian in Germany, etc. He stresses the great difficulties of the change. For bishops who have to send priests to Rome to be trained for this work, are inclined not to send the best, whom they need, and even the best are possibly not so good in their development as young priests in Italy, since they are in a foreign country. The pressure for non-Italian nuncios should come from bishops and also from governments.

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Special Black Report

No. V (#28)

A reliable and well informed observer has sent word from Rome that, at the present time, it is unlikely that a new Secretary of State will be appointed in the Vatican very soon.

The Pope has an enormous capacity for work and has been doing the work of the State Secretariat himself. He has all matters in his hands and no important letter goes out without his seeing it. Emphasis is placed on the exceptional spiritual and intellectual superiority of the Pope - "There is no man second to him".

A candidate for the office is stated to be Mgr. Montini. He is very reserved and a great admirer and follower of the Pope, democratic minded, but very prudent. He is not believed capable of presenting independent decisions. Another candidate is Mgr. Tardini, who is more energetic.

In November of last year, this same source prepared a memorandum on the policy making machinery of the Vatican, which is perhaps worth including in connection with the foregoing.

It reads as follows:

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No. V

Having brought up-to-date our former experiences with consultation of highly placed persons in different countries, we can present the following summary of the present machinery responsible for Vatican policies.

Some of the persons consulted had recent confirmation on some points and some have been at the Vatican during the war. This summary is made with the aim of sketching the way in which reliable information regarding the present Vatican policies can be obtained.

The Sacred Congregations and the Secretariat of State

During the reign of Pius XI, it could be said that the Sacred Congregations and State Secretariat were not really policy shaping. Pius XI made it clear to his advisers that he studied important matters personally and made his own decisions. This procedure, which is not traditional, was stopped by Pius XII. It is known that the present Pope, although very clear in his ideas, is rather timid and prefers not to impose practical decisions. It can be said that the decisions regarding Vatican policy are now made by the following Sacred Congregations.

1. The Sacred Congregation for extraordinary affairs which handles particularly matters concerning Concordats and civil laws. It comprises the Pontifical Commission for Russia. Normally, it is headed by the Cardinal, Secretary of State, as its matters have to be submitted through the Secretary of State. Cardinal Maglione, who is recognized as the great practical organizer in international affairs and is one of the Cardinals known to be pro-democratic (notably when he served as nuncio in Paris, is the Prefect of this organization. Cardinal Pizzardo, who has been prominent in anti-democratic intrigues for more than fifteen years, is assumed to be still influential in this Congregation.
2. The Sacred Consistorial Congregation chooses bishops and administrators and handles matters concerning all dioceses which do not belong to mission territories. The secretary is Cardinal Rossi. This Cardinal is one

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No. V

(Cont'd)

- 2 -

of those whose policies are the least known.

3. The Sacred Congregation for the Oriental Church treats matters pertaining to those dioceses which do not follow the Latin Rite. The Secretary, Cardinal Tisserant and one of the most influential members, Cardinal Lavitrano are known to have pro-democratic leanings.

4. The Sacred Congregation for the Propagation of the Faith treats matters pertaining to missions. The Prefect, Cardinal Fuamosoni-Buondi, was formerly apostolic delegate in the United States.

5. The Sacred Congregation of Rites deals only with liturgical matters but the dynamic character of its Prefect, Cardinal Salotti has given it a certain policy-shaping value through declarations of the Cardinal, first strongly democratic, for a time strongly Italian nationalists, and since 1940 reaffirming certain pro-democratic tendencies.

6. The Supreme Sacred Congregation of the Holy Office deals with the teaching of faith and morals. It very rarely touches policies. The secretary, Cardinal Marchetti Salvaggiani, is very Italian-minded.

7. The Sacred Congregation of Seminaries and Universities, although strictly it deals only with discipline has been used recently for ideological policies in issuing a list of anti-racist and anti-totalitarian theses to be taught. (1938) The active secretary, Msgr. Ruffini, is known to be pro-democratic.

The other Congregations (Sacraments, Council, Religious, Ceremonies, Basilica of St. Peter) have no policy-shaping influence.

The Secretariat of State is officially an executive office (as are the Chancery, the Datary and the Camera). However, it is in fact becoming more and more policy-shaping under the influence of Cardinal

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Maglione and of the present under-secretary, Msgr. Montini, who is now very close to the Pope.

The Channels of Information on Vatican Policies

Pius XI has made drastic reforms and removals in the Congregations so that they now generally consist of exceptionally trustworthy and prudent ecclesiastics. Pius XII, although very mild and allowing a reasonable independence, has maintained a certain standard of unity among the leaders of the Congregations. The Tradition that Vatican officials give no signs of their real attitudes towards policies has been strengthened. Vatican officials never give out secrets. Cardinal Maglione is more difficult to approach than his predecessors. When Rome is liberated, no change may be foreseen in the extreme secretive-ness of Vatican officials. Reliable information on Vatican tendencies can only be built up through the following approaches.

1. The Consultors. The official Consultors do not give any information but each Congregation has semi-official Consultors who can speak more freely. There are semi-official Consultors for questions dealing with specific countries. So for instance, Msgr. Fontenelli, is semi-official for French questions and other Monsignores or Professors are consulted on German, English and American questions. There are also semi-official Consultors on the legal questions (professors of the Appolinari) on social and precise political questions etc. These persons cannot tell what the precise Vatican policy is but if for a certain time they go on defending a certain theses without suddenly stopping, there are serious chances that these theses represent a Vatican policy.

2. Procurators of Religious Orders. They have to go around very much for practical affairs and know all the stories and gossip of the Vatican. In piecing together and checking their information, the key to certain problems can be found.

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No. V

(Cont'd)

- 4 -

3. The direction of different Orders and of different Colleges in Rome. At the occasion of their visits to Vatican offices in connection with their members or students belonging to different countries, it is often possible to make conclusions from precise reactions. So for instance, with different experiences made in arranging to send missionaries or students to different countries, it is often possible to make conclusions on the relation between the Vatican and those countries. The members and students from many countries living in Rome are also excellent sources of information, mainly, if they travel regularly to other countries, as is the case of certain professors who teach half a year in Rome and the other half in Salamanca.

4. Catholic Action leaders of Italy. They avoid politics and are in general definitely a-political. In bringing up certain topics and studying the more or less severe reactions, it is possible to conclude negatively which policies are not favored by the Vatican.

5. The Vatican News Agent, Msgr. Pucci. Since about 1919, Msgr. Pucci has had nearly the monopoly of Vatican news items. Correspondents know that they could not get information at the State Secretariat or other Vatican sources but that they could bid at the highest price from Msgr. Pucci. The reason for this was that the brother of Msgr. Pucci had made a bankruptcy of several million liras which Msgr. Pucci had accepted to repay, saving the honor of the family. Prompted by humanitarian feelings, Vatican authorities had come to accept this monopoly in the same of news. When opposition in news circles ran high against Msgr. Pucci, Cardinal Pacelli, then Secretariate of State, was too good hearted to impose a drastic measure. His successor as Secretary of State, Cardinal Maglione, who is much harder in character stopped this monopoly in 1939, but Msgr. Pucci is still the main source of news. The news obtainable from Msgr. Pucci is mainly

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No. V

(Cont'd)

- 5 -

straight ecclesiastical news giving no indication of Vatican policies. Msgr. Pucci has been very friendly with Fascist officials and if he changes his attitude after the occupation of Rome, his statements will have to be prudently weighed.

6. The "Osservatore Romano". Founded in the time of the conflict between the Vatican and the Italian government, the Osservatore has become less and less an expression of Vatican policies in recent years. The director, Count Della Torre, now ailing, has been for years an eloquent writer without, however, touching practical policies. He receives no instructions from the Vatican and even when he submits questions or drafts, he rarely receives a definite answer. He does not actually direct the tendencies of the Osservatore. Professor Guido Gonella, who has been writing for about ten years the most important column in "Osservatore Romano" (formerly called "Acta Diurna"), does not submit his articles (there is no censor appointed to the Osservatore because this would mean that the Vatican assumes a certain responsibility for its contents). In personal talks, Guido Gonella has often proved to have a staunchly democratic mind. In comparing the theses he prints with those he expresses in private conversation, certain indications on what the Vatican permits can be gathered.

7. Civiltà Cattolica. This review of the Jesuit Fathers expresses the nearest thing to what may be called "the Papal thought." The review, La Famiglia, may also be considered authoritative, although the writers have inside information, their articles are generally rather abstract and only through prolonged contacts with these writers can concrete conclusions on practical policies be reached.

8. Radio Vaticana. At its foundation, Radio Vaticana was absolutely unofficial. In the case of Cardinal Innitzer and other cases, broadcasts of Radio Vaticana have been publicly disavowed by the Vatican. Since the war, Radio Vaticana has become more or less an expression of certain ideas which

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No. V (Cont'd) - 6 -

the Vatican could not express officially. After a period of great prudence, Radio Vaticana has (since '42) attacked rather openly the Nazi tenets through news comments and sermons. On April 11, 1943, a new program (for Russia) was started, for the first time with the statement that it had been organized at the request of His Holiness the Pope. This may indicate a further step in using Radio Vaticana for the "semi-official" expression of Vatican policies. Radio Vatican at the start had no budget for news and the General of the Jesuits supplied the funds. Father Sokorsi, S.J. present technical director, is strongly pro-fascist and has hindered American Jesuit Fathers who were organizing the news coverage. The organization of Radio Vaticana at this moment is not clearly defined and there are thus possibilities to develop this channel for better information.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

8 November 1944

Miss Grace Tully
The White House

Dear Grace:

I believe that the President would be interested in the attached message from our representative in Stockholm. Will you kindly see that it reaches his desk? Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Enclosure.

DECLASSIFIED
By Authority of CIA
007622
By MBJ Date JUN 11 1973

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O.S.S. folder 5-44

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

8 November 1944

MEMORANDUM FOR THE PRESIDENT:

The following report, dealing with Russian-Finnish relations, dated 6 November, has been received from the OSS representative in Stockholm, and is a continuation of my reports to you of 3 and 7 November:

The Soviets are making arbitrary demands in Finland, and are indicating that they will use the 1938 price index to compute the value of goods to be delivered by Finland as indemnity payments, thereby greatly increasing the \$300,000,000 sum to be paid to the Russians.

William J. Donovan

William J. Donovan
Director

DECLASSIFIED

By Authority of CIA

007622

By [Signature] Date JUN 11 1973

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~SECRET~~

9 November 1944

Miss Grace Tully
The White House

Dear Grace:

I believe the President would be interested
in the attached report on Yugoslavia. Will you kindly
see that it is brought to his attention? Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Enclosure.

DECLASSIFIED

By Authority of CIA

007622

By ABL Date MAR 8 1974

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O.S.S. folder 5-44

PSF

SECRET

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

9 November 1944

DECLASSIFIED
By Authority of CIA

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MEMORANDUM FOR THE PRESIDENT:

By ABL Date MAR 8 1974

The OSS representative in Caserta has transmitted the following report, summarizing the political conclusions of McDowell, leader of the former OSS intelligence team at Mihailovich headquarters:

Serb Nationalist Leadership is vested less in Mihailovich than in the local leaders in Serbia and Bosnia, who violently oppose the Partisans as Communists but almost equally hate the old Belgrade ruling class. The local leaders and the masses among both the Nationalists and Partisans would quickly agree to unite if the Allies would deny support to the "reactionary" minority in one camp and the "Communist" minority in the other. Entrusting Tito with the Yugoslav Government will insure civil war.

The local Nationalist leaders in Serbia and Bosnia have been fighting Axis forces almost continuously since 1941. Their troops are better armed and disciplined than those directly under Mihailovich. Despite the 1941 massacres by the Croat quisling Ustashi, the Serb leaders in Bosnia are cooperating with Croat and Moslem Nationalists in preparation for a campaign against the Partisans.

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In this impending civil war, the Partisans will win the formal battles by virtue of superior arms. However, the Nationalists outnumber the Partisans and will be able to conduct guerrilla warfare for at least two years unless the Allies establish an effective military occupation of all Yugoslavia. The OSS intelligence unit at Mihailovich headquarters personally observed Partisans attacking Nationalist troops engaged in fighting the Germans. The unit also has "concrete evidence" of Partisan massacre of Nationalist civilians, including women, and of Partisan failure to launch serious attacks against retreating Germans.

Donovan

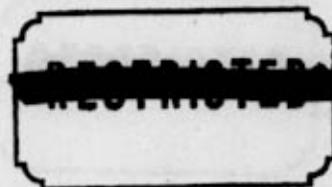
William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.



10 November 1944

Miss Grace Tully
The White House

Dear Grace:

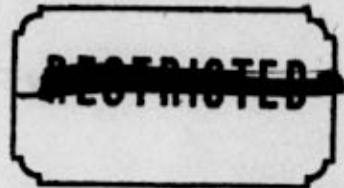
I believe the President would be interested in the attached radiotelephone message from our representative in Berne. Will you kindly see that it reaches his desk? Thank you.

Sincerely yours,

WJ
William J. Donovan
Director

Enclosure.

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.



10 November 1944

MEMORANDUM FOR THE PRESIDENT:

Attached for your information is a copy of a radiotelephone message just received from the OSS representative in Berne, dealing with the reaction in official German circles to the re-election of the President, and the effect of Allied bombings upon the attitude of the German people.

William J. Donovan
Director

Enclosure.

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE 9 November 1944

#238

FROM	Berne	HBG	PRIORITY
			ROUTINE
			DEFERRED
TO	DIRECTOR, OFFICE OF STRATEGIC SERVICES		
DISTRIBUTION			
(FOR ACTION)		(FOR INFORMATION)	

RECEIVED IN PLAIN TEXT

SPG 16-40008-1

GERMANY

1. The German press, as published in reports of the President's reelection, is generally without comment. The Berlin correspondent of the Bund remarks, however, that official German circles appreciate that the election means both an approval of the President's policy and also gives him a reinforced authority in negotiation. The Germans realize, therefore, that they can look forward to no change in American policy and cannot even expect the President's actions to be hampered by an unruly Congress. The Bund Berlin correspondent believes that the tendency of German propaganda, as a result of the election, will be to tell the German people that the elections have confirmed the so-called American program for the total destruction of Germany; that, therefore, there is no help except to fight to the bitter end.

2. La Suisse of November 7 has an article from Germany on the way the German people are taking the new war measures. While this article contains some rather caustic comments on Allied policy towards Germany, it has certain features of interest. Here is a brief summary:

The German people are between two fires -- invasion from the outside and terrorism within. Himmler's stern repression is greatly helped along by the Allied propaganda. The plans of Morgenthau and Vansittart are hammered into the Germans constantly. They never hear of any moderate plans of dealing with Germany after the war. The Volkssturm is, in effect, an instrument of domestic policy. They expect control of the population. No attention whatever is paid to family, social, or neighborly ties. All are thrown into one vast cauldron. The State absorbs all the strength and all the time of all the people. The people are identical with the State.

To try to make the Volkssturm more popular, the people are told that it is a weapon against the millions of foreign workers in the country and for the protection of the Nazi regime under occupation.

The decisive factors in Germany are the following: an elite of the population, who are able to take an objective view of the situation and refuse to believe the Party propaganda never hear anything from abroad except words of hate and revenge. They are convinced that exemplary punishment awaits them. The bombings have destroyed the last hope of any

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OFFICE OF STRATEGIC SERVICES PAGE _____

OFFICIAL DISPATCH

238

FROM Berno

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

REF. NO.

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comprehension of the true situation of the anti-Nazi elements of the population on the part of the Allies. It should not be forgotten that the areas where people live who might have been more inclined to collaborate with the Anglo-Saxons and who have most strongly resisted the Nazis, that is to say, the workers in Northern Germany, have suffered the most cruelly from the bombings. In these circles and social strata bitterness and despair are particularly great. The man in the street, who holds the regime primarily responsible for the present situation, will never forgive the Allied aviation chiefs for some of their bombings, particularly where the workers suffered the most of all. The psychological reaction to the Allied strategy is a unification of the German opposition and the regime. Moderate German circles say that as long as no decent perspective is offered to the part of the population which is not Nazi the efforts of the Party to unite the whole population against the invader will be facilitated by the Allies themselves.

3. The Journal de Geneve of November 7 has a special article on life in Germany. This article features the serious rat menace, especially in bombed cities. Countless hordes of hungry rats are said to be swarming through towns and villages, causing great damage, spreading germs, and even attacking children in cradles. Professor Kemper of the Reichsanstalt fuer Wasser- und Luftguete has been instructed to find a new rat poison as soon as possible, as the Heerzwienele (?) poison formerly used with good effect came from Southern Italy, and there is none left in Germany. The professor's orders are to prepare the new poison immediately, as time presses, and the rats are becoming more and more aggressive and dangerous.

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

10 November 1944

Miss Grace Tully
White House
Washington, D. C.

Dear Grace:

I think the attached memorandum will be of interest
to the President.

Will you please see that it reaches his desk.

Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

DECLASSIFIED
By Authority of CIA
007622
By AB Date JUN 11 1973

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

10 November 1944

MEMORANDUM FOR THE PRESIDENT

I believe you will be interested in the following paraphrase of a cable which we have just received from our representative in Stockholm:

Have just obtained following secret information dated November 8. "Murder of officer at Lanttassaari (or Lanttasaari)" still uncleared and produces even more impression of act of provocation.

New serious incident developing. From 'Kinfolk' battalion which ordered to be turned over to Russians, over 3/4 deserted and fled into woods during journey to point where they were to be handed over to Russians. In addition, Russians have by written request demanded report as to reasons for delay in apprehension of war criminals and also as to measures which have been taken with respect to General Arajuuri (or Arajuuxe), Col. Kotilainen, and former police chief Anthoni, who all fled to Sweden. Report also demanded as to whether apprehension begun of such war criminals whose names not yet appeared on

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By DBS Date JUN 11 1973

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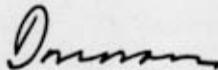
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lists. Behind this last request lurks shadow of government, which should apprehend all except those who are Communists."

Kinfolk battalion referred to above relates to East Karelians who during Finnish occupation of East Karelia joined Finnish Army as volunteers and were organized into special battalion.

Received another report from same authoritative source also dated November 8. "This morning at 1500 residence commandant of Malm airport was broken into by allegedly Finnish patrol who allegedly killed adjutant and stole officer's coat. Russians claim to have detained one man, but deny Finnish officials opportunity to question alleged suspect and further, despite Finns' request, body of man killed has not been shown to them.

In prior provocative incident investigations making no progress.



William J. Donovan
Director

DECLASSIFIED
By Authority of CIA
007622
By AB Date JUN 11 1973

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~~CONFIDENTIAL~~

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

11 November 1944

Miss Grace Tully
The White House

Dear Grace:

I believe the President will be interested in the enclosed report on German and Austrian civilian textile requirements during the first year of occupation. I would appreciate your drawing it to his attention. Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Enclosure.

DECLASSIFIED
By Authority of CIA
007622
By DBS Date MAR 8 1974

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

11 November 1944

DECLASSIFIED
By Authority of CIA

007622
By RRS Date MAR 8 1974

MEMORANDUM FOR THE PRESIDENT:

The rationing of clothing and textiles in Germany and Austria has been so strict that consumer stocks have been heavily depleted. Current needs for the replacement of most clothing items must be met out of rations. Therefore, the annual rate of wear and tear largely determines current minimum clothing requirements per annum.

Were the occupation to begin on 1 January 1945, it is believed that 82,554 metric tons of clothing, in addition to accumulated stocks, would meet the first year's minimum German civilian requirements resulting from ordinary wear and tear. This total figure would be distributed among consumer stocks as follows: men's clothing, 35,753 metric tons; women's clothing, 28,349 metric tons; boys' clothing, 6,630 metric tons; girls' clothing, 3,617 metric tons; children's clothing, 6,905 metric tons, and miscellaneous, 1,300 metric tons.

The total minimum German civilian textile requirements during the first year of occupation, including clothing, blankets, miscellaneous necessities and a token allowance of supplementary rations for war victims, are estimated at 110,500 metric tons.

For Austria it is believed that similar first-year civilian requirements would total 7,560 tons, distributed among consumer groups as follows: men's clothing, 3,092 metric tons;

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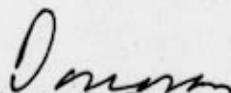
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women's clothing, 2,487 metric tons; boys' clothing, 719 metric tons; girls' clothing, 394 metric tons; children's clothing, 748 metric tons, and miscellaneous, 120 metric tons. The total minimum Austrian civilian textile requirements during the first year of occupation are estimated at 9,900 metric tons.

Annual German and Austrian requirements for a one-year period beginning later than 1 January 1945 will be somewhat larger, assuming rations are continued at their present low level, since clothing needs will increase as existing wardrobes are further depleted. Requirements of members of the armed forces, foreign workers and prisoners of war are not included in these estimates.

Annual German textile productive capacity is estimated at 564,000 metric tons. As this figure is five times the estimated minimum first-year civilian requirements, it is evident that the German textile industry could incur substantial damage without impairing its ability to meet basic German civilian needs, and should produce a surplus for export to textile-deficient liberated countries.

As Austria's annual textile productive capacity is estimated at 30,000 tons, it is evident that Austria also will be more than able to meet the basic requirements of its people out of domestic production.


William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

13 November 1944

Miss Grace Tully
The White House
Washington, D. C.

Dear Grace:

Will you please hand the attached
memorandum to the President?

Thank you.

Sincerely,

Bill

William J. Donovan
Director

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DECLASSIFIED
NND 804056
BY JMB 6 Jan '81

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Drawer 5-44

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

13 November 1944

MEMORANDUM FOR THE PRESIDENT

I sent you on 8 November 1944 the first five reports of the Black Series. There are attached Nos. 6 and 7 of this Series. Report No. 6 contains the conclusions of an important Vatican figure on the French political situation. Report No. 7 relates to the status of the Catholic Church in Russia.

Donovan

William J. Donovan
Director

DECLASSIFIED
NND804056
By *JMB* 6 Jan. '81

No. VI (#24)

Conclusions on the French Political Situation

S holds that it would be imprudent to form any definite opinion on the new French political tendencies and their respective force, as only tentative political formation can be observed. He forecasts that the Government as it is now, is not stable and can be overthrown very very soon. It is true that progressive Catholics now hold many important levers of command, but this may be followed by an anti-Catholic reaction. For this reason, the plans for a new constitution have not been worked out, as their presentation now might call for contrary reactions which would prejudice the future. The school question is bound to be a hard struggle; the atheist and anti-clerical tradition of the last 100 years is still strong. Spontaneous oppositions against the materialistic spirit of the university was already strong before the war, and has increased during the war. It is better to await the end of the pendulum movement - left-right-left- etc. - for the next two to six years before risking the proposal of important constitutional changes.

At this moment, there is a certain unity for a program of realization, which would give the state far greater control over economic life. The Christian democrats are as radical as the socialists and, at the moment, more radical than the

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Communists. S has experienced that the Communists always oppose practical measures of social action because their application would harm the "revolutionary potential" in France. He says the policy of Communists is to maintain enough popular unrest and dissatisfaction to allow them to appeal to the masses for the overthrow of the existing regime. They feel that if a coalition of parties (among which the Christian Democrats assume dynamic leadership) realizes substantially a new structure of social justice, then their claim of being the "only savior" will be proven unjust.

Policies of Pius XII

S has the impression that fear for triumph of Communist policies dominates the Pope's ideas. He is most concerned how to counteract this menace and the central part of his discourse of September 1st stresses the economic-social reforms which should take away from the Communists the reasons for their revolutionary appeal. He uses some sharp expressions regarding capitalism: "Capitalism, if based on erroneous conceptions and assuming an unlimited right over property without any subordination to the common good, the Church has condemned as contrary to the natural law".

This does not mean, says S, that the Pope can be expected to come out for democracy and for the Allied cause.

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- 3 -

The Pope envisages democracy from a purely religious angle as a form of supernatural charity, tending to give to each human being, the conditions of life which are favorable to his spiritual development.

S thinks that when Pius XII is convinced, in conscience, that a measure must be taken, he will disregard all opposition of his environment and be energetic. He admits that it is rather rare that the taking of an attitude towards political situations should become a question of conscience for him, as he always sees pro and contra of each political attitude. The second "leitmotif" of the Pope's preoccupation at this moment is the hunger and suffering of the Italian people. Pius XII attaches less importance to the political reconstruction of Italy than to the speedy intervention to procure food, clothing, housing for the suffering Italians.

Comments of the Author

These conclusions (in the opinion of this writer) which are only tentative, present an important aspect. All Allied approaches to the Pope should be very carefully studied in their moral implications. Whatever proposal or demand would seem to be purely political and which would interest Vatican diplomats, would not appeal to Pius XII. As most Allied

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proposals have deep moral implications, the care with which these implications are given their full value might decide the reception or rejection of the proposals.

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Special Black Report

No. VII (#35)

The Vatican and Russia

Very authoritative sources in the Vatican are insistent that, up to the present, (October 1, 1944), no "tractations" (discussions?) have taken place between the Vatican and Russia. Even those individual priests who, deeply impressed by the underlying religious quality in the Russians, are seeking contact with Orthodox Christians, agree that, thus far, there is no question of a "rapprochement" between the Vatican and Russia.

As illustrative of the difficulties in the way of such progress, they recount the statements of Metzkeivich, the Soviet representative in Rome immediately after the liberation. In answer to the inquiry "What are you planning to do with the Catholics of Wolhynia and Galacia?", the Soviet representative said, "They will become Orthodox". In further discussion, he displayed detailed knowledge of the localities in question, and of the Uniate Church. He asserted that there would be no persecution of the Catholics, but indicated that there would be obstacles to prevent the forming of enclaves of Catholicism within the Soviet territories. He summarized the position by stating that Russia was finding its way and that he did not know whether it would be atheistic or Orthodox, - "but Catholicism is not for Russia".

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

~~TOP SECRET~~

13 November 1944

Miss Grace Tully
The White House

Dear Grace:

I believe that the President would be interested in the attached report from our Stockholm representative. I would appreciate your seeing that it reaches his desk. Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Enclosure.

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By Authority of CIA

007622
By ABJ Date JUN 11 1973

~~TOP SECRET~~

Drawer 5-44

OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

13 November 1944

file → ~~TOP SECRET~~

MEMORANDUM FOR THE PRESIDENT:

The following intelligence, forwarded by the OSS representative in Stockholm, forms a sequel to my memorandum of 10 November concerning the alleged murder of the adjutant of the Soviet commander of Malm airport and desertions from the "Kinfolk" Battalion, which was to have been turned over to Soviet authorities:

Following persistent Finnish requests to examine the body of the allegedly murdered adjutant and to question the Finnish suspect said to have been retained, Soviet authorities have retracted their allegations, according to information just received from Finland. The Soviets reportedly state that further investigations reveal one drunken Finn to have broken into the commander's offices, which he turned upside down and then left. The Soviets have learned that no one was killed and no one is being detained. Concerning the "Kinfolk" Battalion, however, the Soviets accuse the Finns of laxity in escorting this group to the reception center where they were to be turned over to the Soviets. This latter case is not yet closed.

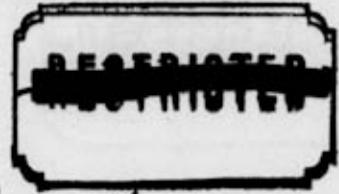
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By Authority of CIA
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By DBS Date JUN 11 1973

W. J. Donovan
William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.



15 November 1944

file

Miss Grace Tully
The White House

Dear Grace:

I am enclosing herewith the latest radiotelephone message from the OSS representative in Berne, which I think would interest the President. Will you be good enough to see that it reaches his desk? Thank you.

Sincerely yours,

Bill

William J. Donovan
Director

Enclosure

DECLASSIFIED

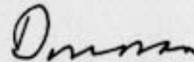
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

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15 November 1944

MEMORANDUM FOR THE PRESIDENT:

Attached for your information is copy of the latest radiotelephone message from our representative in Berne. This report (1) deals with the relative effect of Hitler and Himmler upon the German people, and (2) gives an account of the swearing in of the Volkssturm.



William J. Donovan
Director

Enclosure

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OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE	14 November 1944	#239
FROM	Berne	HBC
TO	DIRECTOR, OFFICE OF STRATEGIC SERVICES	PRIORITY
		ROUTINE
		DEFERRED
DISTRIBUTION		
(FOR ACTION)		(FOR INFORMATION)

RECEIVED IN PLAIN TEXT

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I regret that I had to miss the Friday, Saturday, and Monday flashes, due to a trip to Paris for a conference there on Sunday. Mr. David Bruch returned to Switzerland from France with me, and today and tomorrow we will be having the benefit of consultation with him here.

GERMANY

1. You have asked for comments with regard to the Hitler-Himmler situation. Some days ago I advised you that I had information from an excellent source to the effect the Hitler was seriously ill. Over the past two years, stories of illness of leading personalities are a very usual occurrence and are generally to be discounted. Most people had Mussolini dying several years ago, and again at regular intervals over the past two years. The stories of Hitler's illness have, until recently, been much less insistent because of his frequent public appearances. However, these appearances have been getting less and less during the last year. Since July 20, except for the photographs of Hitler inspecting the bomb damage, of Hitler saying farewell to Mussolini, all of which may well have been faked, we have little except deductive evidence on which to base any conclusions as to the state of his health. Deductive evidence, however, would indicate that something is wrong with Hitler. This evidence includes the fact that the Volksturm proclamation was read by Himmler. This would have been the type of occasion on which Hitler would have liked to appear, and it was somewhat reminiscent of his early beer-hall days when he was leading a small rabble of Brown-shirts. He did not make the usual Munich anniversary speech a few days ago. Also strange were the recent German official comments attempting to allay apprehension as to the Fuehrer's health is also significant. All in all, there seems some basis to hazard a guess that Hitler is not now in a condition actively and currently to exercise the functions of government.

But, if this is the case, it is not likely that the public at large in Germany will be permitted to have any inkling of the situation. Even though there may be ambitious men in Germany, such as Himmler, who would be willing to exercise the power in Germany during the few months of Nazi control which probably remain, it appears likely that even a Himmler realizes that he can only exercise effective control as Hitler's deputy, and not

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OFFICIAL DISPATCH

FROM Berno

TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

239

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in his own right. Probably a great many people in Germany still have a kind of blind faith in Hitler. They still feel he may produce some miracle at the last minute which would save them. The German people have no such feeling with regard to Himmler or any of the other leaders, who are viewed as ordinary mortals without any miraculous attributes. These leaders have little personal popularity. Himmler, for example, is not popular with the German people. He is feared, he is hated. Some may even admire his organizing ability, but he has none of the dynamic qualities essential to leadership, except a leadership based on terror and force. An article in the Basler Nationalzeitung of November 14 contains some rather interesting comments on this general situation. Here is a summary: The postponement of the traditional Munich Nazi ceremony and the silence of Hitler prove that great confusion reigns in the ranks of the Nazi leaders. The Fuehrer, who was formerly the most productive speaker in the world and made as many as five speeches a day on certain dramatic occasions of his career, is now the most retiring and silent politician of today. There seems to be a tendency to surround him with a new myth, but it is doubtful whether this is going to be any help or comfort for the people in the dark and dreary atmosphere in which they live. The riddle of the Fuehrer's invisibility is still unsolved. The people remember that, in the past, public demonstrations arranged for the Party were never called off except in case of critical emergencies, such as the time of the invasion of Austria or the attack on Czechoslovakia, or at Nuremberg just before Poland was invaded. So they wonder now what the calling off of the Munich celebration portends.

2. The Neue Zuercher Zeitung of November 13 gives an interesting account of the swearing-in of the Volksturm on Sunday last. Here is a summary of the article: The swearing-in of the Volksturm took place Sunday all over Germany, except, of course, in places where the ceremony had already taken place. Mass meetings were held in all the large towns on this occasion, Himmler made a speech in Munich and Dr. Goebbels in Berlin. In Berlin only volunteers were assembled and listened to the speech of the Propaganda Minister in ten different meeting places.

Most of the Berlin Volksturm reported without arms. Such arms as were seen consisted of an assortment of the most varied models of different origins. Some units were even equipped with captured Italian steel helmets. Dr. Goebbels promised that uniform infantry equipment would soon be issued, and he announced that the Berlin Volksturm would not merely be detailed for the defence of their city, but, in critical situations, would be used at the front. He gave astonishing figures of the number of Volksgrenadier divisions newly organized since July 20. (The actual number does not appear in this account.)

His speech was characteristic of the way in which the Nazi leaders are influencing the home front today. He endeavored to spur on the fighting spirit of the Volksturm. He talked of the premature hopes of victory indulged in by the enemy, of their great disappointment on finding out that

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TO DIRECTOR, OFFICE OF STRATEGIC SERVICES

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they are confronted with tremendous obstacles today. He emphasized that there could be no capitulation because the enemy know no mercy -- that the enemy were only negatively united in destructive plans, with no thought of ever protecting any Germans, so that the population is always able to find the strength to resist. The German war aims which he defined are much more moderate than before. He said that Germany would fight only until the enemy agreed to make a decent peace, and Germany is now fighting to win the last round.

The Constanz correspondent of the same paper reports that all men between sixteen and sixty capable of bearing arms had been mobilized in the Bodensee area. There has been no training of the Volksturm yet. They, in truth, are divided into two groups: number one including the fighting Volksturm, and number two the Home Guard. The equipment is not anywhere near complete.

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