by the German troops and by the rush of Greeks to purchase before supplies were depleted.

Contents of the port and other warehouses were declared "war booty" and frozen. Apparently the Germans regard the Greek and Yugo-Slav Free Zones as non-existent. The three American tobacco companies operating in northern Greece have ceased activities and the installations of two of them in Macedonia and Thrace have been leased to German interests. All existing tobacco stocks were stated to have been frozen. Stocks of the American companies were not large.

The most important military movements observed at Salonika was just prior to the attack on Crete. During the two days preceding the attack more than four hundred Junkers (Ju52 transports) passed over Salonika at low altitude. Upwards of seventy-five trailed one glider each, of large size, reported to be carrying eight to ten men. There were also a considerable number of Stuka and Messerschmidt 110 or 111 planes, the Messerschmids being equipped with two auxiliary gas or bouyancy tanks which looked like additional motor nacelles mounted under the wing. A certain number of gliders had arrived knocked down on trucks and are believed to have aided the transports in moving the air troops and Austrian Gebirgstruppen concentrated at Salonika.

After the completion of the Crete campaign there was daily evidence of considerable movement through Salonika and its district towards the north, consisting of all kinds of military and air traffic. At first, it
was believed locally that these troops were being concentrated in Thrace but it became evident about the middle of June that the movement was towards Rumania and farther to the north instead of toward Turkey. Also about this time conversation of German officers and troops indicated a belief in a Russian rather than a Turkish campaign. Previously such a campaign was less discussed than one in Turkey, Syria or Iraq.

By July 12, apparently due to needs of the Russian campaign, there were a lesser number of units and personnel in Salonika than at any time following German entry on April 8.

Most of the considerable number of naval personnel in Salonika remained after this period. This naval shore force consisted chiefly of anti-aircraft detachments. One of the main duties of the naval staff (Admiral Sud-Ost) had been the rounding up and refitting of small craft for use against Crete and the occupation of the other islands. No submarines or other German war vessels were seen in the Salonika harbor but some "E boats" were transported through by land presumably for use in Cretan waters.

Early in July French troops began to arrive, evidently en route to Syria to join the Vichy forces. It is believed that but few of these actually departed. On July 12 it was estimated that there were in Salonika from 800 to 1,000 of these troops. There were three French destroyers in and out of Salonika during the early days of July. Also there arrived apparently from Beirut with some refugees the passenger steamer Theophile Gautier. This vessel
vessel was still in port on July 12. A merchant vessel, the St. Didier, which probably arrived also from Beirut and left two days later with some military supplies was sunk by a British submarine shortly after leaving the Gulf of Salonika. There were repeated rumors of sinkings of enemy merchant boats by British submarines in the Aegean. It is definitely known that the arrival of oil tankers was seriously interfered with by British or Greek submarines. In short, as a naval base and port, Salonika has thus far proved to be of little value to the Germans.

Referring to the question of gliders, it was observed that those brought in by trucks were transported in convoys of five to six Ford trucks for each glider and maintenance personnel. Although the dismounted fuselage and wings were covered with tarpaulins the construction appeared to be of wood and canvas. The landing gear of the gliders appeared to consist of two wheels between which was mounted a long ski shaped skid, which was used in securing the glider fuselage to the trailer.

8. Civilian Defenses. Shelters were most inadequate at the start of the Italo-Greek war, but with the aid of the Vanderbilt committee, considerable progress had been made by the time of the German attack on Greece. The Germans after completion of occupation of Crete ordered removal of sand bags from basement windows and a general clean up of similar surface protection. This was halted to some extent just before the Russian campaign...
and the blackout was tightened up.

9. **Prestige of Party.** There had existed a nationalist-fascistic group known as the Three EEs which had been dissolved by Premier Metaxas. There was an endeavor to revive this group after German arrival as a Greek national socialist party. This effort met with little success and much contempt. The group may have been of some use as informers especially against Jews, but this practice did not seem to receive much German support.

10. **Prestige of Service and Popularity of Individual Officers.** This heading does not appear to be designed for occupied territory. It may be remarked however that the German forces have become increasingly unpopular. The puppet government of General Tsolakoglou is considered with indifference and contempt. General Tsolakoglou was before the Italo-Greek war the Commanding General at Salonika for the third corps area and later commander of the army of the northern front. The Consulate had heard rumors that he was perhaps not as unfavorably disposed to the Germans as to the Italians but there was no indication of this in the several conversations had with him by the Consul and Vice Consul. He seemed extremely pro-American.

11. **Main Sentiments or Emotions of People.** The sentiment and morale of the Greek people has been touched on above. With reference to German troops it was to be remarked that many seemed wearied of war, especially those, who were in a considerable proportion, who had already taken part in operations in Poland, France and elsewhere. Many also seemed to have been in the army for
for several years preceding the present war and were free to complain of long separation from their families.

It seemed difficult for many of the officers and soldiers to realize that they were actually to make war against Russia, their supposed former ally, but the answer seemed to be for most, at least, that "the Fuehrer knows best".

There appeared to be considerable interest as to the course America will take and was taking. Usually it seemed that the German attitude toward Americans was not so much resentment as a failure to comprehend why Americans should not sympathize with Germany's situation. In a few cases when representations were being made by the Consulate for the protection of American interests, comments such as "what are you doing with our boats?" were forthcoming.

12. **Migrations of Population.** During the first days of the German campaign against Greece there was a frantic migration of Greeks from Thrace and Eastern Macedonia, prompted evidently by fear of the Bulgars who in previous wars have been accused of atrocities against the Greek population. Those left for the islands and old Greece. Some have now returned.

There was some migration from Salonika to the country and to the south during Italian bombardments, but many of these persons returned. Just prior to German occupation there was considerable migration to the south and while some have now returned there are still many remaining away due to economic conditions and particularly lack of transportation.

Many
The question was consistently posed by person

obtain forged Greek papers from sympathetic Greeks.

pressing more strongly, propositions by knowledge of Greek to
force the response. Opponents and supporters are able to
nevertheless some refuse to the British and Greeks

willing and clubs. The Inter are well guarded but

as we advance and to the rear? For example, of

land and the naval protection, so, the munitions

of the underground artillery protection from the Greek main

with British authorities in Turkey, which is the reasoning

reasons, he could obtain the above communication

to trace the network of communication and potential

communication around British patrols. If one should desire

that the underground organization was being quelled up,

the report of the local we felt exhilarated we were aware

ever an occasion in the response. Under some one of

Jehovah's witnesses of intrigue and a propaganda network,

then need for the

or communication in Greece. The real need for the

what regards the development of resistance phenomena

have made in the horror, desire another thirty cooperation

of the German and foreign effort to redress in station

many of the German who formerly resided in station

- 4 -
The Consulate had valid reason to think that some of these were Germanophile or actually working for the Germans. The Consulate had the names of such persons, both agents and sympathizers, but naturally could not risk sending out or bringing out such a list. It is believed that if it is desired to establish contact it could be done, first by starting at the Turkish end or at Cyprus with the aid of the British. If one name were given in Salonika, such a person would be in a position to indicate others. It should be remembered that to give such a name might be equivalent to putting a neck in a noose.

14. **Identity of Axis Espionage Agents** acting in allied territories, United States or elsewhere. No concrete information is available on this subject.

15. **British Blockade.** Since the occupation of Greece the blockade has held the arrivals of shipping in Salonika to a minimum. The Long-range blockade, of course, is enormously effective and there is no opportunity to replenish stocks of goods formerly imported, except the little that may in future be brought in from Italy and Germany and occupied countries.

16. **Remarks.**

**German Policy toward Jews in Salonika.**

The Jewish colony in Salonika consists of 65,000 Spanish Jews who still speak Spanish and whose forbears arrived in 1492. They enjoyed a favored position under the Turks and are well treated by the Greeks.

Surprisingly enough the Anti-Semitic campaign of the Germans in respect to this colony has been comparatively mild.
mild. There has as yet been no effort to extend the
Race Decrees of the Nuremberg type to this colony.
Shortly after the arrival of the Germans, radios were
taken from the Jews and "Jews Keep Out" posters were
affixed in downtown stores and restaurants, apparently
against the wishes of most of the proprietors, and with-
out definite sponsorship by the German military. Most
of these have been subsequently removed. There has been
no special restrictions aimed exclusively at movements
of Jews (for example no prohibition against riding on
street cars or other public place). Some members of
the Jewish community have been arrested but so have
Rotarians and Masons. The French language newspapers
published by Jews have been suppressed.

There have been several conjectures concerning
this new policy of the Germans. There are about 3,000
holders of Spanish passports and about 1,500 with
Italian passports in this colony, which may have in-
fluenced the Germans. The colony is such an important
block that the Germans may have had some idea of play-
ing off the Greeks against the Jews. They are handicapped
in their anti-Jewish measures because the Jewish com-
munity and the police had burned all lists so that the
Germans did not know who was Jew and who was not.

The Germans themselves encourage the idea that they
find the Spanish Jew different from the German or Polish
type. This may be the usual preliminary for later severe
action. In any case there have been many instances of
anti-Semitism on the part of individual German soldiers
and the general policy may change, as indeed it has
shown
shown some signs of doing since the Russian campaign. On the other hand, there can be no doubt that the milder policy finds many adherents among the German soldiers themselves. Increased German civilian administrative authority may change the situation.

**Political Future of Northern Greece.**

One of the first clear indications as to which sovereignty was supreme in Salonika was the insistence of German authorities that the members of the American Consulate in Salonika leave through German occupied territory. Thrace and that part of Macedonia east of the Struma river are technically occupied by the Bulgars but German authorities are still throughout the section. There are persistent rumors that the extreme eastern part of Thrace may be held out as a bribe to Turkey.

Macedonia east of the Struma to and including Salonika is entirely German occupied and controlled although a very few Bulgarian and Italian staff officers are stationed in Salonika.

There is a strong prevailing opinion in Salonika that Germany intends, at least, to maintain a corridor through Serbia to the port of Salonika as an outlet to the Aegean and the Mediterranean. Early in the Italo-Greek War the Consulate received a propaganda circular presumably sent out by a German commercial organization to the effect that under the "new order" the importance of Salonika as a commercial center and port would be restored to its status during the days of the Central German
German Empire and that it was certain to become an important world trade center as the outlet of the whole of southeastern Europe.

Vice Consul Edmund A. Gullion has given his full cooperation in the preparation of this report.

Respectfully,

John Johnson
American Consul
now in the Department of State
The Salonika region is under German military occupation and the military authorities are in control although the German Consulate General continues to function. Although boundaries delimiting the areas of Greece under German, Italian and Bulgarian control have not been delimited, the Germans apparently intend to retain for themselves a corridor from Salonika to the southern portion of Serbia. There have been rumors that a puppet Macedonia State might be established under German control.

Large numbers of Greeks escaped to Turkey at the time of German occupation and others are still attempting to leave the country although flight has now become difficult.
difficult. The principal motives appear to be the food shortages in Greece and a desire to join the British forces.

Although German treatment of the Greek population has not been severe, resentment against the German occupation is very strong. British broadcasts, particularly the Free French and Greek programs, have a wide circle of listeners and are enthusiastically received. An attempt on the part of anti-Semitic Greeks to utilize the German occupation for the persecution of Jews has not received German support, and the customary anti-Semitic measures adopted in territories occupied by German forces have not been introduced at Salonika. Both Greek and Jewish business enterprises, however, have been placed under German administration and the Germans are attempting to obtain financial control of the principal enterprises. Up to the time when the Consulate was closed there had been little effort on the part of the Germans to develop Salonika as a naval base. An Italian destroyer is stationed there for convoy duty but no German vessels have reached Salonika, although the Germans had taken over a number of Greek coastal vessels which they had reconditioned for their own use.
There have been no systematic British air raids on Salonika since the German occupation although there have been sporadic attacks on the harbor and port facilities. The port facilities at Salonika are limited and the only two heavy cranes were destroyed before the arrival of the Germans.

There were about 300 Germans in the Salonika district prior to the war. These were principally tobacco buyers. They had been thoroughly organized by the Foreign Organization of the Party but the occupation of Salonika occurred in so short a time that there was little opportunity for activities on their part in connection therewith.
August 6, 1941.

Subject: Political conditions in Italy.

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to submit herewith, in response to the Department’s Instruction of August 1, 1941, the following replies to the questions which were attached to said Instruction. It should be emphasized that the larger part of my impressions are based upon observations during almost four years service in Naples, Italy.

1. Morale. The morale of all classes and branches of the military services is extremely low, in Italy. Repeated and disastrous defeats in all military adventures, on the sea, the land and in the air, constitute the principal factor which is accentuated by the dominating place assumed by the Germans in Italy and growing scarcity of all essentials. A quip, repeated by the Italians: "If England wins we lose, if Germany wins we are lost," represents the defeatist attitude of many if not most Italians. Complaints are directed against the folly of entering the war to begin with, against the waste of Italy’s resources in a military adventure that failed, against ineptitude in the management of the war, against graft in high places that is held responsible for inadequate military preparation and equipment and against the policy of permitting German infiltration to a point where
where, in popular belief at least, the Germans now command in Italy. The Italians and the Germans are anti-sympathetic.

2. Bomb damage. Naples was bombed a number of times during the past winter, from about December first up to the German attack on Greece. The raids were light and the damage relatively slight. Some bombs did not explode but I have no information as to percentage. Italians have said that the bombs were light, an impression confirmed by my own observation of certain buildings which were hit where the bombs penetrated to and exploded in the third floor from the top without blowing out the side walls except one breach in a new, poorly constructed building. Among the places hit were: the Ilva Munitions plant at Bagnoli (once), central railway station in the southern part of the city (twice), and the ships in and environs of the inner harbor of Naples, (several times). Most serious damage was caused by a bomb which went down the funnel of the cruiser POLA and exploded below deck.

During the first air raid in December (as nearly as I can recall) seven bombs fell in a line within a few feet of the crude oil storage tanks of the petroleum refinery belonging to the Vacuum Oil Company of New York but they sank into the ground without exploding. All bombing was directed against military objectives, which caused the Italians to describe the English as "molto gentile", but habitations in the vicinity of such targets were often hit. Casualties were relatively few, however.

I am reliably informed that during the early part of July
of July of this year British bombers made three raids
with far more devastating effect upon Naples than those of
last winter. The report is that the petroleum refinery
mentioned above was hit and badly damaged with fierce
fires and the railway yards of the central railway
station were put out of commission.

3. **Vital bombing targets.** So far as I know there are no
vital bombing targets in Rome. There is an airfield
about two miles south of the city. At Naples there
are the following targets: Ilva Munitions works north
of Cape Posillipo, which, curiously enough, the British
bombers have paid little attention to; the inner port
of Naples which the Germans used as a port of embarkation
for troops to Tripoli with no interference to speak of;
the railway yards extending south of the central railway
station and the many freight sheds alongside as well
as the principal industrial section extending beyond with
the petroleum refinery already mentioned at the extremity.
There are small shipyards at Castlemare across the bay
(the name may be Castel di le Mare on certain maps)
and numerous small industries line the bay's edge
between that town and Naples. Most of the railways
traffic for southern Italy and Sicily passes through the
railroad yards of Naples, which is a bottleneck and
if they could be made useless it could seriously
handicap Italy's economy as well as war efforts.

The ships in Naples harbor throw out a smokescreen
during air raids and I am informed that the Ilva munitions
works also does this to hide the plant from bombers.
Antiaircraft fire at Naples has proven entirely
ineffective even after the Germans moved in with some
of their new guns. The antiaircraft defense of
the city
is widely ridiculed by the inhabitants who say it is a greater menace to the citizens (referring to casualties from falling shell fragments) than it is to the enemy bombers. Search lights have not been used and the commander of one of the batteries told me all he could do was to throw up a blind barrage in the hope of keeping the enemy high in the air; that he had no way of knowing where the enemy planes were.

4. Health. The population of Italy has not yet, so far as I have observed, suffered any serious impairment of health. There is a steadily increasing shortage of food but this has not yet approached a famine stage. The quality is poor. Textiles are of poor quality made largely of synthetic fibres. The gasoline shortage is acute and few private automobiles are now permitted to operate. German sources are relied upon for coal and some coal is arriving but it is doubtful if there will be enough for adequate heating next winter. There is also a shortage of charcoal, used for cooking and laundry work. Soap has almost disappeared. All fats and oils are extremely scarce.

5. Current rumors. Widespread are rumors of disaffection among high ranking Party members; that Mussolini's mental powers are fading, attributed to syphilis, to his excesses with new mistresses which he changes frequently, to his worry over failures; that farmers are sabotaging crops because they cannot buy macaroni and oil with the proceeds; that graft grows ever more rampant.

6. British propaganda. I am uninformed regarding it or its success. Few Italians can afford a radio powerful enough to pick up London* Those that can listen
to London news bulletins despite decrees prohibiting this. However the Italian, intelligent enough to mistrust the propaganda of this own Government, is not likely to be interested in enemy propaganda either. I can offer no suggestions as to improving propaganda.

7. Economic and industrial intelligence. I have no information other than that there is an acute shortage of all raw materials not abundantly produced in the country. If the Italians have developed any new weapons or techniques or new types of equipment I have not heard of it. Railway transportation has not seriously deteriorated but motor transport is curtailed by the shortage of gasoline and rubber.

8. Civilian defense. The only measures of this sort that I have been cognizant of was the use of the members of the party organizations as night guards to enforce the blackout. Many airraid shelters are simply basements with the ceiling shored up by timbers. Many have windows on the street protected only by wooden shutters, some have sandbagged windows. Naples relied largely upon it numerous tunnels.

9. Prestige of Party. Mussolini and the Fascist Party have undoubtedly lost heavily in prestige. I have heard Italians say that it is only the German Gestapo that protects them and keeps them in power. I have seen no evidence of organized opposition or leadership, however.

10. Prestige of services. The armed services have also lost in prestige which is natural in the light of their failures. General Badolli was a disappointment to the people who has relied upon him and the King to keep them
keep them out of the war. The Pope, too, failed to live up to their expectations in this respect.

11. **Main sentiments.** The Italians want peace above all things. It is an interesting fact that some express a desire to see the United States enter the war in the hope that it will shorten it and others express regret over our aid to Britain because they think it prolongs the war. The people did not want war in the first place, they have had no enthusiasm for it and are weary of it. They seem to be apathetic about it. I do not know how deeply the feeling runs in Russia may run but the Italians seem unemotional about it.

12. **Migration of populations.** I am not aware of any migrations.

13. **Channels of obtaining future information.** I do not know of any other than our Embassy in Rome.

14. **Identity of espionage agents.** I have had nothing to do with espionage and do not know of any agents.

15. **British blockade.** This appears to be very effective to judge by the growing shortage of materials, I do not know to what extent or in what manner it may be evaded.

16. It is my opinion that Italy is whipped and knows it; that only a complete German victory by German forces could rescue the country from defeat; that the Italian people consider such a possibility with apprehension for fear they may find themselves in a subordinate position similar to that of Denmark. The Italians definitely do not like the Germans. They know the Germans hold them in contempt and their pride is sorely hurt by the dominance of the Germans over them.

Very respectfully yours,

Thomas D. Bowman
Late American Consul General at Rome and at Naples, Italy.
SERIOUSLY CONFIDENTIAL

MEMORANDUM.

Replies to attached Memorandum Questionnaire.

1. I do not know of any means of communication between Italians and Allied countries.

2 to 5 are answered by the above.

6. I do not know of any individuals in Italy connected with anti-Axis activities.

7 to 9 are answered by the above.

10. I do not know of any clandestine radio sending set in Italy.

Thomas D. Bowman
Late American Consul General at Rome and at Naples, Italy.
August 5, 1941

SUBJECT: CONDITIONS IN THE VENICE DISTRICT

The Honorable

The Secretary of State,

Washington, D.C.,

Sir:

In compliance with the Department's strictly confidential instruction of August 1, 1941, enclosing a questionnaire to be filled out in regard to present conditions in the Venice consular district, I have the honor to submit herewith enclosed the information desired, in triplicate.

Respectfully yours,

Charles T. Terry
American Vice Consul

Enclosure:

Replies to questionnaire in triplicate.

File No. 900
OTT
1. Morale:

At the time of leaving Venice, Italy on July 10, 1941 and for some time prior to that date, the military, naval, official and citizen morale may be said to have been decidedly low and certainly this state was not improved by the entry of Russia into the war against the Axis powers. The current common complaint of the man in the street was to the effect that this latter event was only one more added burden on the already overladen shoulders of the Italian public. The factors causing the most impairment of the morale under consideration were (a) the declaration of war against Russia, and (b) the steadily increasing restrictions placed on first necessities. The most effective means for still further lowering the existing morale would be the spreading of rumors of Russian successes in the field and of further measures restricting the distribution of food.

2. Bomb Damage:

There has been no damage by bombs in the Venice district since 1940 when a British bomber damaged the small canal connecting San Giuliano on the mainland with the Brenta ship canal. This news was not published by the Italian papers but was learned from reliable local contacts. The percentage of unexploded bombs, the value of new bombs and the types of bombs causing the most damage, are unknown.

3. Vital Bombing Targets:

Vital bombing targets in and about the city of Venice would be (a) the viaduct known as the "Ponte del Littorio" connecting Venice with the mainland; (b) the water supply pipe line on the west of and running parallel to the viaduct. This is a submerged pipe line but its location is indicated at regular intervals of space by air holes in the form of concrete turrets emerging from the water; (c) the...
so-called "Petroleum Fort" situated to the west of and immediately at the mainland end of the viaduct; (d) the Breda shipbuilding yards at Porto Marghera, the industrial and commercial port of Venice situated on the mainland; into the northwest of the viaduct terminal; (e) the Montecatini chemical works in about the same location. To an attacking bomber equipped with a search light, these two establishments would furnish an easy target, their names being exposed in huge letters on all sides; (f) the Jung- hans munition factory on the island of the Giudecca situated on the southern side of the city of Venice; (g) the S.S. "Conte di Savoia", which has been anchored since the declaration of war by Italy in the Venice Lagoon on the north side and about two hundred yards from the island of San Servolo where insane persons of the male sex are confined; it is surmised that, in line with the Fascist Regime's press propaganda policy, this location for the anchorage of the steamship was chosen so that, should an attack from the air be made, it could be claimed by the press that the British were as usual attacking defenseless objectives such as insane asylums. The time when bombing in general would be most effective would be at about 11 PM on moonlight nights.

4. Health:

The health of the population and of the Italian armed and naval forces has undoubtedly suffered though not to the extent of bringing about epidemics. The health condition manifests itself in the form of what in children corresponds to rickets. Soldiers from the front have been discreetly interviewed and have complained of and present the symptoms of underfeeding. The Italian people do not understand nutrition hygiene as practiced in the United States, in fact such hygiene has reached but a rudimentary stage in Italy. There have, as far as can be ascertained, been no epidemics to date in the Venice district. Particular medicines, a deficiency in which is conspicuous, are all the vitamins. Fruit, which is excellent in Italy, is too dear for the man in the street. Coffee is no longer obtainable. The supply...
supply of butter, oil, sugar, flour, meat, fish, rice, and (in winter) vegetables, is restricted. The sale of real wool, silk and cotton, by the yard or in the form of clothing is restricted and substitutes are being manufactured. Coal is to a large extent being replaced by lignite, and the consumption of wood and petroleum as fuel is being limited. The use of petrol for automobiles is prohibited except in certain special cases and motor vehicles are being mechanically adapted to the use of methane gas. There does not appear to be a lack, at the present time, of housing facilities in the Venice district.

5. Current Rumors:

Current rumors just prior to the declaration of war against Russia were to the effect that Herr Hess had flown to Germany with concrete British proposals to the Reich but that upon the actual declaration of war these proposals had been shelved. It was gathered in these latter days that the general desire of the Italian people was that the British win the war so that the Germans might be ousted from their present hold on Italy, and that the only hope of salvation of the Fascist Regime and its supporters was in a German victory.

6. British Propaganda:

If there was any British propaganda in the Venice district it must have been uninspired, and in the opinion of the writer any organized propaganda would have been superfluous. Such propaganda as there may have been was spontaneous coming from the Italian people themselves. It is not considered that there can be any room for improvement and that the means unconsciously used by the Italian people in favor of the British cannot be improved upon.

7. Economic and Industrial Intelligence:

It has been practically impossible to obtain economic and industrial
industrial intelligence of any nature in regard to military, naval and air activities. One item alone was learned from a naval officer who stated that the Italian navy kept out of range of the British navy's guns because its armor plate was too thin to resist British gunfire.

8. Civilian Defense:

There is a fire fighting squad at Venice improvised for the war emergency in addition to the regular fire department. Members of this squad wear a khaki uniform. It is not possible to say whether this body is efficient because it has not yet been put to the test. Shelters are inadequate and fortunately there has been no occasion to use them. The supply of gas masks is officially placed at 7 for every ten persons of the population but it is gathered from various indications that the real proportion is nearer 1 mask to two persons. The opinion is that the civilian defence of the city of Venice would not stand the test in a crisis, and that therefore it would be superfluous to consider means for impairing the same.

9. Prestige of Party and Popularity of Individual Party Members:

The prestige of the Fascist Party has suffered considerably in the Venice district since the failure of the Greek and Egyptian campaigns prior to the German intervention. The popularity of General Badoglio and of Party Secretary Mutti has been benefitted by these failures whilst the prestige of the Duce and of Count Ciano has lost considerable ground. The necessity of having had to enlist the assistance of the Reich has been the last straw. No suggestion can be offered as to the vulnerabilities of the Party and leaders, and the means of taking advantage thereof except through radio and propaganda in neutral papers secretly available by certain persons in Italy.

10. Prestige of Services and Popularity of Individual Officers:

It is undoubtedly true that anti-Fascist officers in the Italian Army and Navy enjoy the most popularity but no suggestion can be offered as to the vulnerability of the prestige of the
services and the popularity of individual officers.

11. Main Sentiments or Emotions of People:

It is the conviction of the writer that the inhabitants of the Venice district are war weary, that they do not fear America but would welcome her intervention, and that they do not hate Russia but would welcome a defeat of Germany by Russia so long as adverse developments from such a defeat would affect themselves.

12. Migrations or Population:

There have been no migrations of population in this district except in the Alto Adige section which commenced in 1939 in pursuance to an Italo-German agreement whereby all inhabitants of the Alto Adige of Germanic origin were to migrate to Germany upon being duly compensated, their places to be taken by Italians. No migrations have taken place for other reasons.

13. Channels for Obtaining Future Information:

No suggestions can be offered as to channels for obtaining future information.

14. Identity of Axis Espionage Agents:

No information is available as to the identity of Axis espionage agents acting in allied territories, the United States or elsewhere.

15. British Blockade:

The effect of the British blockade, as far as the Venice district is concerned, has been to eliminate the coffee supply and to curtail the supply of olive oil, butter, sugar, flour, meat, fish and rice; wool and cotton; and most raw materials used in the manufacture of munitions. The means used to evade the effect of the blockade have been the manufacture of substitutes which have in general proved inadequate.

16. Further Remarks:

To the personal knowledge of the writer there have been at least two public demonstrations in the city of Venice since the declaration
declaration of war by Italy, in regard to the lack of food. These were immediately suppressed by the police. A sharp reerudescence of anti-Semitic propaganda took place immediately after German intervention in Greece and Egypt had commenced. This took the form of investive stencilled in black letters on walls of buildings, such as: "Jews, traitors throughout the ages" or "All Jews are spies" etc., Curiously enough along with this propaganda appeared the stencilled words: "He who touches the Duce is in peril of his life". A German officer's club has been established in Venice within the last month.

Source of Information: Personal observation and contacts,

File No. 800,
OTT
In quintuplicate.
August 12, 1941

Subject: Conditions Existing in the Genoa Consular District of Italy up to the Date of the Closing of the Consulate General.

Strictly Confidential

The Honorable
The Secretary of State,
Washington, D. C.

Sir:

In compliance with the Department's strictly confidential instruction, with which was enclosed a questionnaire of sixteen questions, I have the honor to submit the following report on general war conditions in the Genoa consular district:

1. Morale

The morale of the Italian armed forces has steadily deteriorated since Italy's entrance into the war on June 10, 1940. Of the three branches of the military, indubitably the morale of the army is lowest. Chief among the factors contributing to the low morale of the Italian army has been the basic lack of support for Italy's war objectives. Italy was "war weary" as long ago as 1938 from the Fascist regime's activities in Ethiopia, Albania, and Spain. Continuous overdoses of propaganda had exhausted the people spiritually and, consequently, Mussolini's declaration of war against England
England and France during what then appeared to the Italians the last days of the conflict failed to arouse any martial ardor among the soldiery. Only a great crusade could have raised the army to a pitch of enthusiasm for the war. The Fascists made a fundamental mistake when they deliberately instilled into the army the idea that the war was practically over. A second factor contributing to the low morale of the Italian army has been the development of serious dissensions within the organization itself. The creation of an elite Fascist organization in the army and the according to it of special privileges and recognition has aroused a great deal of animosity among the soldiers. Members of the Blackshirt Militia and the Fascist Legions are given better equipment and uniforms, are allowed to ride on street cars free, receive better food and attract the attention of the controlled Italian press and radio. This has not made for a healthy spirit in the army. I am inclined to believe that the creation of these Fascist units within the regular army is tacit admission of the fact that Mussolini does not consider the army attached to the principles of Fascism. To demonstrate the feeling of dissension existing, the following episode occurring in Genoa, is herewith cited. Upon the dismissal of Marshall Badoglio from his post of Chief of Staff, the Fascists in Genoa as in other parts of Italy attempted to discredit him further by proposing to hold a demonstration. The Commandant of the Ligurian military zone informed the Prefect of the Province of Genoa that he would not be responsible for the actions of the army if the proposed demonstration
demonstration were actually held. As a result of this, the plans for the anti-Badoglio demonstration were cancelled. A third factor contributing to the low morale of the Italian army is the fact that there exists a very marked anti-German sentiment. This feeling appears to be strongest in Northern Italy from whence most of the officers are drawn. The idea of cooperating with the Germans and receiving technical assistance from them, instead of bolstering the flagging Italian spirit as calculated by Mussolini, has operated in the reverse and accentuated the lassitude and defeatism prevalent among the soldiers. In my mind these are the three basic factors that contributed to the low morale of the Italian army at the very outset of the conflict. In addition, the series of serious defeats inflicted upon Italian arms in North and East Africa and in Albania has aggravated the situation.

Although numerically imposing, the Italian airforce is in reality very weak by reason of its obsolete and inferior equipment. Consequently, Italian pilots are reluctant to engage the enemy even when possessing a numerical superiority. Indicative of the strength and ardor of the airforce is the fact that the Italian press and radio make no effort to publicize the exploits of their "Aces" or best pilots. The morale of the Italian airforce has become worse since the British have introduced their later model aircraft into the African theater of war and at Koka.
The Italian Navy unquestionably possessed the best morale at the beginning of the conflict of any of the branches of the armed forces. This was largely due to the fact that the Navy personnel is more select than that of the army. The serious defeats inflicted upon the Italian Navy by the British Mediterranean fleets have necessarily had a decidedly depressing effect upon the Italians. At the present time, scarcely any of the Navy personnel believe that a successful action could be carried against the British. In spite of this feeling of general defeatism, I believe that the Italian Navy has, relatively speaking, a better morale than either the Italian army or airforce.

"Official morale" as defined by the attitude of various Italian officials towards the war and the United States is oftentimes chimerical. While ostensibly supporting the regime and the war, Italian Officialdom very rarely agree upon the principles for which the war is being waged. The present regime does not attract the best class of Italian to the government services. Occasionally a sincere Fascist can be found, but by far the great majority of Italian officials support the government only because a change of regime would cost them their positions.

The morale of the Italian people, particularly along the Riviera, was low at the very outset of the war. The people were definitely tired of war at the conclusion of the Spanish adventure. Particularly in Genoa and outlying Liguria, where the people prosper during periods of
peace, when commercial relations improve and the tourist trade booms, was there a marked sentiment for peace. In the fall of 1939 when Mussolini made a speech upon the occasion of Germany's attack upon Poland and declared for neutrality a great popular wave of relief passed among the people. Consequently, they were ill-prepared for Mussolini's declaration of war on June 10, 1940, and in Genoa there was no evidence of any enthusiasm whatsoever for the war. Instead of attempting to arouse the people to an heroic frame of mind, the Fascists tried to wheedle the populace into the conflict by adopting a purely opportunistic attitude. This was a mistake and the reaction in Liguria was, generally speaking, one of disgust or fatalism.

A marked anti-German sentiment is cognizable along the Ligurian Riviera and can also be considered as one of the underlying reasons why the war is not popular with the people.

Among the immediate factors contributing to the extremely low morale of the Genovese is the prolongation and spreading of the war and with it the destruction of the last hope for an early peace. The economy of the Genoa Consular District probably has been the hardest hit of any section of Italy and the effects of the war are being heavily felt. The problem in Genoa has been aggravated by the fact that that section of Italy is almost wholly dependent upon outside sources for its food supply. The dislocation of the Italian transportation system has had serious effects upon the food situation.
situation. This shortage of food and the unemployment problem which is only being solved by sending large numbers of workers to Germany has produced a great deal of discontent.

The disasters of the Italian armed forces has naturally contributed to the feeling of pessimism prevalent among the people.

One should not overlook the fact that of all sections of Italy, the Genoa Consular District has always had the reputation of being the most anti-Fascist. Continuous and lucrative contact with Americans, British, and French, a sentimental but deep-seated regard for Genoa's past which reached its greatest glory under a republic, the tradition of Mazzini and Garibaldi, the present general dissatisfaction with existing conditions, and current rumors about the possibility of founding a Cis-Alpine Republic have reduced the morale of the Italians in Liguria to an extremely low level. These factors, in my opinion, render this same district the most dangerous to the existing order in Italy. In addition, there are certain men of ability and local appeal in Genoa who under certain conditions, I believe, would head an anti-Fascist movement.

The easiest and most effective way to lower still further the morale of the Italians in Liguria appears to be a systematic attack upon the extremely vulnerable railway communication system. A disrupted communication system would induce a state of famine in a rather short time because of the fact that Liguria is not a food producing
producing section. The main railway line from the French border to the extreme east end of the Genoa Consular District runs right along by the sea and there are approximately one hundred tunnels, any one of which might be easily damaged so as to stop train service.

I am thus inclined to recommend an attack upon the tunnels of these railway communications rather than a wholesale attack upon the industries concentrated around Genoa for several reasons. The first is the fact that an acute shortage of raw materials has lowered the output of most of the large shipbuilding and other industrial plants around Genoa and therefore their destruction might not help greatly the war effort of the British. Secondly, it appears to me to be best to avoid any chance of destroying a pro-English and pro-American sentiment, which, while not predominant, is certainly considerable and appears to be growing daily. This same sentiment can be relied upon to back a liberal movement. In this respect the visible destruction of property and life should be avoided, if possible. On the other hand, the railways and highways in Liguria are quite exposed with no alternate routes available. For example, the railway connecting Genoa and Rome skirts the Coast and passes through innumerable and poorly guarded tunnels. It would be subject to direct shelling from the sea or easily accessible to small but well-informed landing parties. In addition, a successful assault upon the communications system, while not subjecting the people to
to immediate hurt, would accomplish the twin purpose of induding a food shortage very shortly and also the further discrediting of the Fascist regime through its inability to protect the Italian coastline.

2. Bomb Damage

Genoa suffered its greatest damage during the naval bombardment by the British on February 9, 1941. It is estimated that between three and four hundred people were killed and that property damage amounted to several hundred thousand dollars. Hits scored upon the Brignole Railway station and also on the station at Sampierd'arena, a suburb of Genoa. This resulted in disrupting rail service for three days while the electric lines and switch signals were being repaired. Most serious property damage was sustained in the industrial centers in the western suburbs of Genoa. Several sections of the Ansaldo Corporation were struck as well as the power station located at Cornigliano. In the port, itself, damage was negligible. Only two small ships of approximately 3,000 tons each are known to have been sunk. Some dwellings in Genoa proper were struck but only because they were in the vicinity of military objectives or in the target lines.

Other raids carried out against Genoa by the British and French were negligible. The French operated for a short space of a week from Corsica before the armistice. Their aircraft were constantly over the city of Genoa at night and induced a state of near panic among the populace.
populace. The damage their bombing did was small. Most French bombs did not explode. The British executed approximately ten aerial raids against Genoa but their bases were so far removed that the planes could carry only very light loads of bombs and remain over the city but for a short while. As a result, the damage inflicted by these raids was also small.

As far as is known no new type bombs were used by the British against Genoa.

3. Vital Bombing Targets

The most concentrated industrial section of Italy is located at Genoa where for a dozen miles along the coast directly west of the city stand factories and industrial establishments of all kinds in extremely close proximity. A bomb falling anywhere in this locality would do some damage to the war making capacity of Italy's industries. There are listed herewith the names of a few of the more important concerns:

1. Ansaldo Shipyards (normally employs 4,500 men)
   Cantiere Navale

2. Ansaldo Outfitting Yards (after a vessel is launched at the shipyards it is towed nearby to be completed and made ready for sea--employs 2,800 men)
   Officine Allestimento

3. Ansaldo Mechanical Engineering Plant (produces steam turbines and Diesel engines--employs 1,500 workmen)
   Stabilimento Meccanico

4. Ansaldo Technical-Electric (fabricates electric motors, generators, locomotives and transformers--employs 2,200 workmen)
   Plant
   Stabilimento Elettrotecnico

5. Ansaldo
5. Ansaldo Artillery Plant  (naval ordnance and anti-aircraft guns -- employs 2,500 workmen)
6. Odero-Terni-Orlando Shipyard  (employs 1,000 workmen)
7. Cantiere del Tirreno  (one of finest shipyards and dry docks in Italy and situated at the eastern entrance to the harbor -- employs 3,500)
8. I.L.V.A.  (steel and rolling mills -- largest in Italy)
9. San Giorgio  (manufactures precision instruments of several kinds, including binoculars, scientific instruments, transformers, etc. -- employs 5,000)

Thirty miles to the west of Genoa lies the small port of Savona which is also important by reason of the presence of subsidiaries of I.L.V.A. which produce both coke and steel. Approximately three miles from Savona is situated the town of Vado-Ligure where can be found an electric locomotive factory and chemical plants.

The naval base at La Spezia, at which point the Italian Navy has sheltered during a great part of the time, is also important. Beside the naval anchorages there is an arsenal and drydock there. La Spezia is approximately 75 miles east of Genoa.

In Liguria, as pointed out previously, the railways offer the most vulnerable war objective. The lines connecting Genoa with Rome and Milan are accessible to attack and it is through the medium of this communication system that Liguria is fed from the agricultural provinces of Lombardy and Tuscany.
4. Health

The effects of the war in Genoa have produced a marked increase in the prevalence of tuberculosis. In the city of Genoa, itself, cases of malnutrition are clearly observable among the poor children. No epidemics have occurred but diseases resulting from under-nourishment are becoming more prevalent. The Genovese are quite short of fuel and most of the houses during the winter of 1940-41 were inadequately heated by reason of the scarcity of coal. The most serious shortages of food-stuffs occur in fats, meats, and farinaceous products. Olive oil, which is used almost exclusively in the preparation of food is becoming very scarce. Meats are rationed at 60 grams a week and the quality and quantity of bread and spaghetti has steadily deteriorated so that by reason of its poor quality it is actually deleterious to the health of individuals possessing delicate stomachs.

5. Current Rumors

Most of the rumors circulating in Genoa concern the ranking men in the Fascist party. There are persistent rumors of Mussolini's ill-health which occur so often that there appear to be some basis for their existence. Several times rumors of a rift between Mussolini and Ciano have circulated. Other rumors are of a more trivial nature concerning Mussolini's moral life and the personalities of men involved and hardly worth repeating here..

Of possible military importance is the recent rumor of impending action by the Italian army against Corsica.
Corsica and Nice. The presence of an exceedingly large number of police in Genoa and a tightening up of the restrictions on foreigners may be considered as corroboratory evidence.

6. **British Propaganda**

   The British radio is listened to rather extensively in Liguria and news announced over the B.B.C. immediately becomes current information throughout the town. Testimony of this fact was the recent redoubling of the penalties for listening to British broadcasts and the banning of the Swiss radio, the listening to which had hitherto been permitted.

   A certain amount of pamphlets might be sent into Italy from Switzerland. The Consulate General at Genoa received without interruption for eight months prior to its closing the "British Press Release" edited by the British Legation in Bern and Zurich.

7. **Economic and Industrial Intelligence**

   The close surveillance under which the Consulate General at Genoa was kept during the last year by the Italian authorities prevented the gathering of much information concerning recent military and industrial techniques. As a general rule, it is safe to say that there has not been a great deal of activity in this line, -- principally because of the shortage of raw materials and the inability to procure substitutes from Germany or the Balkans. A certain amount of converting of
of furnaces and steel mills has been initiated by German technicians so as to permit the utilization of the low quality Sardinian coal. Because of the extreme and ever growing shortage of gasoline all private cars now seen on the streets are operating on charcoal gas or a type of natural gas obtained near Trieste. Rubber tires are at a premium and are subject to requisition by the State.

8. Civilian Defense

The Italian populace is not equipped with gas masks. In Genoa some anti-air raid shelters have been provided for the people by utilizing various tunnels and the archways of large buildings in the city. A recent decree requires all houses to be provided with air raid shelters of sorts constructed subject to the approval of the City engineers; this work was not initiated until after the British naval bombardment in February 1941. The shelters themselves appear to offer secondary protection.

9. Prestige of Party and Popularity of Individual Officers

Without doubt the Fascist Party has suffered enormous losses in prestige during the last year. The death of Italo Balbo and the incompetence of Dino Grandi robbed the Fascists of two pillars to the party. Mussolini has lost a great deal of the popularity he formerly enjoyed and now rarely makes a public appearance or statement. Of the younger men the most active appear to be Giovanni Ansaldo, who is in the public eye by reason of his radio addresses. The general impression received is that the Fascist
Fascist party is losing ground steadily and that the
leaders are hoping to ride out the storm by being as in-
conspicuous as possible.

The opposition to the Fascists is becoming formidable
but at the present time lacks a focal point around which
to rally. A great many Italians had looked to the Royal
Family and Marshal Badoglio to restrain the Fascists if
not to remove them when the opportunity arose. In this
the people were severely disappointed and when Badoglio
stepped out of the picture without precipitating a crisis
they seemed to relapse into a fatalistic mood. The house
of Savoy has lost considerable prestige during the past
year as the result of allowing itself to be relegated to
insignificance by Mussolini.

10. **Prestige of Services**

Of all the armed forces of Italy, the "Carabinieri",
or Royal Police, have the greatest prestige. They are
supposedly loyal to the Crown and deemed rather anti-
Fascist. This supposition is strengthened by reason of
the fact that the Fascists have created the "Metropolitani",
another police force with practically the same functions
to perform as the "Carabinieri". It is significant to
note that wherever "Carabinieri" are stationed a like
number of "Metropolitani" can be found. The two serv-
cices do not fraternize. The Navy, in spite of its re-
verses, is still in a better position than the other
armed forces as far as popularity with the public is
concerned.
The most popular officer in the armed forces is the Duca D'Aosta, former Viceroy of Ethiopia and now a prisoner of the British. Badoglio is still popular in spite of his dismissal and virtual retirement. The present Chief of Staff, Cavallero, is not particularly popular.

In my opinion the army is particularly vulnerable by reason of the dissensions existing within it as previously described under "Morale".

11. Main Sentiments or Emotions of the People

The primary sentiment of the people of Italy can be described as "war-weariness". Among the people, except in very rare and isolated cases, no hatred of the United States is observable. A certain amount of feeling for and against the British exists, but the anti-British feeling seems to be waning. The prospect of a Russian victory plainly disturbs the majority of Italians whose recollection of Communism is distasteful. The Germans are not liked.

12. Migrations of Population

In the Genoa Consular District a considerable number of workers have gone to Germany where they have been promised higher wages than it is possible for them to obtain in Italy. I estimate the number of workers thus sent to Germany from Genoa at 2,000. These workmen are drawn from laborers in the port and waiters in hotels and restaurants.

Because of the bombing of Genoa, and particularly because of the naval bombardment, every family rich enough
enough to afford it has taken up a residence out of the city. Towns like Rapallo, Santa Margherita, Recco and other little seaside resorts are now crowded. This migration has reached sizable proportions.

13. Channels for Obtaining Further Information
None dependable, except the Embassy and the representatives of neutral governments.

None.

15. British Blockade
The British Blockade has had a decisive effect upon Italy. Serious shortages of coal, cotton, petroleum, and metals used for producing hard and tough steels have developed. The Italians have not been successful in producing substitutes nor have they received supplies from the Balkans, Germany, or France as had been anticipated. An indirect effect has been created by the blockade inasmuch as Germany now relies upon Italy for considerable shipments of foodstuffs to replace materials formerly obtained from sources now no longer available to her. This, in great measure, accounts for the shortage of food in Italy.

As far as I know, there has been no evasion of the British Blockade by the Italians other than a few shipments of eggs which arrived from Turkey during March, 1941.

16. Italian
16. **Italian Propaganda**

Passing attention should be paid to Italian propaganda. Described in a word, it is "ineffectual" and vacillates between attempts to produce non-existent victories and diatribes against British or Americans. The average Italian will believe the British Broadcasting Company before he will his own radio. One phase of Italian propaganda which should be noted is the endeavor to drive a wedge between the United States and Great Britain. Many responsible Italians believe that the United States is allied out of greed only to the English and that under the guise of friendship is planning to gain the choicest parts of the British Empire. This line of reasoning is believed in rather widely, the more so, because it gives the Italian the opportunity to rationalize the action of the United States which he dreads and will not bring himself to consider as a foe. Italian propaganda strives to create the impression that the United States cannot be considered as a potential foe of Italy either because the (a) war will be finished before she can act or because (b) popular feeling will "prevent President Roosevelt from overriding the wishes of the American people and plunging them in a sacrificial and suicidal war to save England". Thus deluded, the average Italian is not overly disturbed by the prospects of action by the United States.

Even the recent withdrawal of the Consular Officers from Italy and the restrictions placed upon Italian
credits in the United States has not made the Italian fully aware of the situation as relates to the United States, for not a few believe that Colonel Lindbergh and Senator Wheeler represent the true public sentiment in the United States and that they will thus prevent the United States joining England in war against the Axis Powers.

Very respectfully yours,

Henry H. Baloh
American Consul General
MEMORANDUM OF CONVERSATION

DATE: August 18, 1941.

SUBJECT: Conditions in the Genoa district.

PARTICIPANTS:
Vice Consul Byron B. Snyder
(Formerly at Genoa)
Mr. Stevens, Eu

Mr. Snyder stated that there is considerable amount
of sentiment against the Fascist regime in the Genoa area
and that this feeling is shared by influential local
leaders. While Fascist control is still strong enough to
prevent open public criticism and the opponents of the
regime lack a focal point about which they may rally,
Mr. Snyder feels that the germ of an anti-Fascist movement
exists in the Genoa district and that under favorable
circumstances it may develop into active resistance.

Mr. Snyder emphasized the ease with which rail com-
munication in the Genoa area might be disrupted through
the destruction of tunnels along the coast and suggested
that this would greatly interfere with the provisioning of
Genoa and be an added factor in depressing morale.

Industrial
Industrial production in the Genoa area has been substantially impaired because of the lack of raw materials.

In addition to the B.B.C. broadcasts on which the Italian people rely for accurate information, a secret radio station is broadcasting at irregular intervals in the Genoese dialect and enjoys great popularity.

The Italian people are reluctant to believe that the United States will enter the war and that Italy can ever be opposed to it. Mr. Snyder stated that in his opinion the eight point program formulated between the President and Mr. Churchill would be played down by the Italian press but would have a very depressing effect on the Italian people.
August 6, 1941.

STRICTLY CONFIDENTIAL

Subject: Report of Conditions in the Milan Consular District.

The Honorable
The Secretary of State
Washington

Sir,

I have the honor to acknowledge the receipt of the Department's strictly confidential instruction dated August 1, 1941, concerning conditions in the Milan Consular District, and, in compliance therewith, to make the following report covering the points set out in the memorandum enclosed with the instruction.

1. Morale - It is my impression that the present state of the military, official and citizen morale (there are no naval authorities in this district) is lower than at any time since the beginning of the present war in Europe. I make no distinction between the military, the officials and the citizens. The chief factors which have brought about this deterioration appear to be the lack of support for the war and its objectives which has existed ever since the war began; the anti-German sentiment which has always prevailed in this district; the disasters which have attended the military and naval efforts of the Italian forces; the superiority of the German
German military forces and the feeling of subjection to the German authorities which has increased steadily during the past year; and the realisation, - which seems to be general - that Italy's resources are very nearly spent, that the continuation of the war will mean steadily increasing privation, and that Italy has little to expect from the war no matter which side wins.

The most common complaints lately voiced have had to do with the scarcity and high cost of necessary foodstuffs. The insufficiency of bread caused the most serious expressions of discontent which took the form of small riots and strikes. These occurred in many factories during the month of June; but it is believed that the harvesting of the new crop of wheat has made it possible to satisfy the demands of the workers for bread during the rest of the present calendar year. To a surprising extent the Italian public seems to accept existing conditions without vocal complaint. Its attitude seems to be one of apathy. Apparently, the public, including all classes, feels helpless to attempt to change the situation, however unsatisfactory. This public has never been in favor of war, but, if the war were inevitable, it is my impression that it would have supported the war much more willingly had Italy been fighting on the side of England and the liberal forces and against Germany.

A means of lowering the morale would probably be the severe bombardment of centers of industry and communication. But it seems to me that the morale is certain to continue to decline as living conditions become increasingly bad and the conviction becomes general that the war cannot be concluded within a short space of time and that it may easily continue for years to come. In view
view of the latter consideration, perhaps it might be well to consider the advisability of postponing the destruction by bombing of Italian plants and means of communication in this district since it is possible that among the reactions thereto would be a lessening of the present sympathy for the liberal forces in this war.

2. Bomb damage. The bombing of Milan occurred during the first six months after the entrance of Italy into the war. There has been no air raid over Milan since December, 1940. Generally speaking, the damage appears to have been small, although no comprehensive, authentic account of the several raids has been available to the writer. The locality most frequently bombed seems to have been Sesto San Giovanni, a small suburb on the Northern edge of Milan which contains a large concentration of industrial plants. The greatest damage was probably caused during the first three months of the war, that is, in June, July and August, 1940. Reports were current of a high percentage of unexploded bombs, occasionally reaching 50% or more; but there was no way of confirming these reports. There has been no air raid since England has employed the new type of bomb and lack of information makes it impossible to compare the damage done by the different types of bombs used.

3. Vital Bombing Targets. The industrial plants in the vicinity of Milan, probably offer the most vital targets for bombs in that district. These include the airplane factories of the Isotta-Fraschini, Alfa Romeo, and Caproni companies.

The area between Milan and Monza, which includes Sesto San Giovanni, where iron foundries, airplane plants,
oil refineries, chemical factories and many other industries are congregated in a small area should be a prime and easy target. The destruction of these plants would seriously impair the productive capacity of Italy as well as depress morale.

The railway lines centering in Milan are important means of communication and their destruction would seriously interfere with through traffic between Northern and Southern Italy. The bombing of the lines between Milan and Domodossola should be particularly valuable as a means of impairing the Italian industrial activities since it is understood that the great bulk of the coal imported into Italy from Germany arrives by way of Chiasso, while some shipments are also received via Domodossola. Since the Bolzano route is reported to be largely used for the transportation of troops and war material, the lines mentioned must handle the bulk of the shipments of goods of all kinds between Italy and Germany.

The hydro-electric plants in Northern Italy should also be vital targets since, owing to the scarcity of coal, industry and transportation have turned increasingly to electricity as a source of power.

4. Health. There were no indications when I left Milan of any marked impairment of health of the civil or military population. No epidemic had been reported, and no marked deficiency was apparent in supplies of medicines. The shortages of food and clothing were not yet such as to impair health.
Fuel supplies were sufficient for spring and summer needs, although a serious shortage was expected during the coming winter. There was no lack of housing facilities. The scarcity of gasoline and the resulting curtailment in the use of automobiles have increased the use of bicycles and of walking, probably to the actual betterment of the physical condition of those who formerly depended on their automobiles for transportation. But the scarcity of food should soon result in an impairment of health.

5. Current rumors. It was learned from apparently reliable sources that excellent barracks for some 300,000 German troops were being constructed in various centers throughout Italy. Also that the construction of fortifications on the Italian side of the Brenner Pass continues for some unexplained reason. A considerable movement of Italian troops through unoccupied France to Spain is said to have taken place recently.

6. British Propaganda. British broadcasting is probably heard in the Milan district by all owners of radios equipped to receive it; but they number only a small percentage of the total population. Listeners however, appear quick to spread by word-of-mouth any news of importance they may hear and it seems likely that a considerable number of people are thus affected by the British broadcasts. While they are apt to receive such news with a certain reserve, they welcome it as a means of checking the accuracy of the reports and propaganda that appear constantly in the Italian press.
The reception is usually good in Milan and attempts to interfere are futile in the majority of cases. It is difficult to say how the dissemination of British propaganda might be improved, owing to the vigilence of the Italian secret police and their agents.

7. Economic and Industrial Intelligence - I have with me no information concerning the activities included under this heading but a report, the details of which I cannot now recall, was submitted by me a short time ago concerning the production of military airplanes in Italy. Owing to the close supervision of the Consulate and the consular personnel by the Italian police and the consequent cutting off of sources of information regarding these matters, it has been unusually difficult to obtain worthwhile information on these subjects since the beginning of the current calendar year.

8. Civilian Defense - Relatively little attention seems to have been given to providing means of civilian defense in Milan and other cities in this district. Air-raid shelters in the majority of cases are simply space set aside in the basements of buildings and covered trenches dug in parks and along the sidewalks on the wider streets. No special preparations appear to have been made for fire-fighting, possibly because most buildings are constructed of stone, brick or concrete. Gas masks, according to all reports, are few and materials for making them are scarce. A series of air raids might easily cause extensive injury to the civil population.

9. Prestige of the Party and Popularity of Party Members - The prestige of the Fascist Party and of party members
members has been greatly damaged by the results of the war, including the failure to end the war as promptly as at first promised as well as the reverses suffered by the Italian armed forces on land and sea. Even many members of the Fascist Party have shown dissatisfaction with the results of party leadership, while opponents of the Party have been confirmed in their opposition to these policies.

But it seems unlikely that advantage of this situation could be taken as long as the Nazi Party maintains control of Germany since it is realized generally that any attempt to overthrow the Fascists would be immediately suppressed by German forces.

10. Prestige of Services and Popularity of Individual Officers - The army and navy services appear to be the subject of public sympathy over the reverses that have been suffered by the Italian armed forces, blame for which seems to have been laid chiefly on the Fascist leaders, particularly the Duce. Officers of the Army and Navy are regarded as his unwilling victims rather than as persons sharing responsibility; their prestige, therefore, seems not to have suffered materially.

11. Sentiments and Emotions of the People - The attitude of most Italians in this district appears to have become apathetic, particularly during the past six months. Their first concern is that the war should end, irrespective of the victors. No hatred of England or America is apparent. Such expressions of disapproval towards American and American policies as have been heard appear to have been due entirely to the feeling that the assistance given by the United States to England will be sure to prolong the war. The feeling towards Russia seems
a seems not to have been changed materially by the out-
break of hostilities between Germany and Russia. It has
never been one of cordiality as far as the masses have
been concerned, while the well-to-do and wealthy have al-
ways been hostile towards, and fearful of, Russia.

12. Migrations of Population - Aside from the ex-
tensive drafting of men into the armed forces and their
consequent removal from the district, and the emigration
of workers to Germany, there has been no migration of any
considerable number of people from this district.

13. Channels for Obtaining Future Information -
Before closing the Consulate in Milan I carefully de-
stroyed the names and addresses of all Italian contacts
for fear that they might fall into the hands of the police
with disastrous results to these friends. Consequently
I have no addresses of contacts through whom information
might be obtained.

14. Identity of Axis Espionage Agents - I know of
no Axis espionage agents acting in the allied territories,
in the United States or elsewhere.

15. The British Blockade - The effect of the British
blockade has been to deprive Italy of substantial quan-
tities of raw materials and foodstuffs which that coun-
try has traditionally imported from overseas. The most
important of these are cotton, scrap iron, mineral oils,
vegetable oilseeds and oils, copper, alloy metals and
wool. The effect of the loss of overseas markets for
Italian products seems to have been largely offset by an
increase in exports to continental countries, particular-
ly to Germany, and by an increased production of war
materials
materials. No evidence of any extensive evasion of the blockade has come to my attention, but I have heard reports that small quantities of certain fine textiles have been exported by way of Switzerland to the United States and, perhaps, some South American countries.

16. Additional Remarks - There has been no demonstration of any kind in Milan against the United States, although it was learned by a member of my staff from the Police Headquarters (the Questura) that orders were once received from Rome to arrange such a demonstration in front of the Consulate. Apparently the Fascist leaders in Milan thought it advisable not to carry out these orders. Nor has any individual expression of feeling against the United States been noted by me or reported by members of my staff. I believe the sentiments of the great majority of Italians in this district remain very friendly toward the United States.

Respectfully yours,

Lester L. Schmire
American Consul

In triplicate
LLS/PHH/rh/lts.
August 5, 1941.

STRICTLY CONFIDENTIAL

The Honorable

The Secretary of State

Washington.

SUBJECT: Report pursuant to the Department's instruction of August 1, 1941 related to political and other conditions in the Trieste, Italy, consular district.

Sir:

I have the honor to convey, next below, the information requested by the cited instruction so far as I am able to do so.

1) Morale.

Generally speaking the civilian morale is low. The large Slavic element has always been opposed to the war and most of them have a rather confused wish for some sort of autonomy consolidated with or linked to people of Slavic "race" in Eastern Europe. The factory workers (notably in the shipyards) are, for the most part, communists by conviction and tradition. They are, in theory, opposed to the war, to the Fascist regime and to the monarchy. For all that, they take part in Fascist manifestations obediently enough, in order to keep their jobs. It would be superfluous to discuss the Jews; they naturally hate the regime but the authorities have them well in hand and they can't do anything about it. I know of no dissatisfaction among the armed forces; if there is any (and no doubt there is some) it is not an important factor at present. With a few scattered exceptions, officialdom, particularly in the higher ranks, is loyal to the party and the government. The younger elements are, for the most part, rather enthusiastic supporters of the regime. The chief causes of such discontent as exists are:

a) dislike of the Germans and fear that Germany will eventually absorb the Trieste region (most important factor of all); b) heavy taxation;

e) inability to see that Italy will gain anything by the war. To many in and about Trieste the measures taken by and the attitude of the United States spells eventual defeat for the Axis.

Notwithstanding the statements above, it is my considered
The article I read during my morning coffee break I found surprising in its interpretation of the information we received. I was particularly interested in the new concept of 'required' in that area.


No information on how to get the government.

[22] Privacy Information (Right to Access)

(Non-current agreement) concerning the payment of the population would choose the payment that is the necessary one. I think the government should ensure that the population is made aware of the new concept of 'required' in that area. If we can get the information, we can ensure that the population is made aware of the new concept of 'required' in that area. I think American knows what the population was. We've received that information. The information from the government is not current.

[21] Population of Americans

The government is not current. We have to do describe of information to manage. We have to describe of information to manage. We have to describe of information to manage. We have to describe of information to manage. We have to describe of information to manage.
Mr. Rankin stated that although Serbia was subject to German military occupation, the Gestapo was very active and the bulk of the administration was being carried out by Serbs who had continued at their posts in the various Ministries. The damage caused by bombardment at Belgrade has been largely cleared away but no reconstruction has taken place as yet. Conditions in Serbia are considerably more stable than in Croatia due to the German military occupation. Actual German forces in Serbia, however, are now quite small.

One of the most difficult problems at present is caring for the refugees who are arriving in old Serbia from the former Yugoslav districts which have been occupied by neighboring countries.

Mr. Rankin
Mr. Rankin stated that a certain amount of guerrilla activity is occurring in the mountainous regions of Serbia which were not very effectively occupied by the Germans. The primary purpose of this guerrilla activity is to organize forces which may eventually be used in the liberation of the country. The Serbs are inclined to derogate foreign reports concerning these activities since they inevitably lead to reprisals by the German authorities and the useless sacrifice of lives.

The copper mines were destroyed by the Serbs before the German occupation and will not be workable for many months. The bauxite and zinc mines are believed to be in operation.

Mr. Rankin stated that there was intense German activity among the German minorities in Yugoslavia prior to the occupation and that no effective steps were taken by the Yugoslav Government to control these activities. He was unable however to supply details concerning them.

The bulk of the prisoners taken by the Germans had been released and only a comparatively small group of officers and suspected individuals have been taken to prison camps in Germany. The German policy toward the Serbs is one of severity and repression. The Germans apparently intend to postpone a final distribution of the territories formerly comprising Yugoslavia as a means of exerting pressure on the various neighboring states.
states which have entered conflicting claims for these territories.
Washington, D.C.,
August 7, 1941.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON,

SIR:

I am pleased to submit for the Government's information the following report on conditions in Croatia and especially in Zagreb, from which post I have just returned. This report covers the points set out in the Memorandum which is attached to the Department's strictly confidential instruction dated August 1, 1941.

1. MORALE.

a) MILITARY. The morale in the new Croatian army formed by Field Marshal Slavko Kvaternik, Major Cadina and other former Austrian officers has been seriously impaired since Croatian contingents were despatched to aid the Germans in the campaign against Soviet Russia. Russia is still "mother Russia" to most Croats and they are extremely reluctant to take up arms against her. There are also other factors that tend to lower military morale; one of these factors is the discord and friction between the regular army under the leadership of General Stansari and other older Austrian officers and the Ustaša organization under the leadership of younger Ustašas who were in exile with the Poglavnik, Ante Pavelić. These latter from a sort of personal guard comparable
comparable to the German S.S. and there is growing discord between this Ustasa Guard and the regular troops. A further factor tending to impair military morale is the deplorable lack of organization in the Croatian civil government so that regular military officers (especially those stationed at points other than Zagreb) feel that they are at a disadvantage in enjoying the spoils of power. The civil authorities and Ustasa loot to their hearts content while the regular military are curbed by old-fashioned Austrian army discipline, the Ustasa lawlessness, moreover is, in general, most distasteful to the older officers of the regular army.

b) Official Morale. Official morale is likewise deteriorating because of lack of organization and lack of delegated authority in the civil government. (Pavelic is said to lack all sense of organization.) Nepotism and favoritism give rise to much jealousy and dissatisfaction. Incompetency is the rule rather than the exception and corruption in every form is flourishing.

c) Citizen Morale. What has been said of military and official morale applies to citizen morale also. What enthusiasm there was for the Pavelic government was first shocked by the FNL in offering the crown of Croatia to an Italian prince. (It is generally said that while an Italian may be good enough for the Abyssinians he is not good enough for the Croats.) This act outraged most Croats and certainly did much to impair morale.

The fiendish persecution of the Jews and the Serbs completely lacks popular support and has further lowered citizen morale.

Furthermore
Furthermore, the peasantry is quite out of sympathy with the Zagreb government and while Hasek's political influence is at a low ebb it is by no means impossible that his influence may be rehabilitated and rumors of a peasant "March on Zagreb" were in circulation at the end of June and early July. Finally, the complete lack of security of person and property has further impaired citizen morale.

2. **HOME DAMAGE**

The city of Zagreb was not bombed. Certain anti-aircraft batteries near Zagreb and one of the two railway lines leading eastward toward Belgrade was heavily bombed at Dugo Selo (about 10 kilometers east of Zagreb) during the morning of April 6. This line was out of commission for several weeks. The second railway line eastward (via Sisak) was not bombed and continued to function after the German occupation. Heavy and medium explosive bombs but no incendiaries were apparently used.

3. **VITAL BOMBING TARGETS**

Vital bombing targets other than the railway lines mentioned in the preceding paragraphs are in Zagreb the Sava railway and other bridges, the railway distribution yards, the railway stations, Zagreb radio station, the post and telegraph offices, the Zagreb Shor (Fair Buildings, now used as Ustase Headquarters), the Zagreb airport, and the government buildings in the "Upper Town", furthermore, the coal mines at Trbavija, the "Aluminum" factory at Losavac, near Sibenik and the oil fields between the Drava and the Mura.
4. **Health**

Public health appears to have suffered during the early days of the occupation. Food excepting fresh vegetables, butter, eggs, etc. (normally brought to the Zagreb markets by farmers) was plentiful but prices rose rapidly so that those in the low income class could not afford to buy. There were no epidemics and medicines etc. could be obtained in normal quantities. The health of the German armed forces - excepting for general infections - appeared to be excellent while the health of the civil population continued to be normal up to the time of my departure.

5. **Current Rumors**

Normally rumors of all kinds were constantly circulating in Zagreb. With the outbreak of war on April 6 rumors were merely multiplied but with the German occupation rumor mongers were promptly discouraged by the prompt and wholesale arrest of all persons who were heard to talk.

One of the rumors which did persist was that Macek had been approached by Pavlic with the object of inducing him to participate in the Ustasa government; that pressure was being brought on Pavlic by the Germans to obtain Macek's cooperation; that the Italians likewise had brought pressure on Pavlic to the same end; finally that Macek had been secretly taken to Germany to force him to cooperate with Pavlic. All of these rumors were officially denied by the Zagreb government but it is nevertheless probable that efforts to obtain Macek's cooperation had been and are being made.

Other rumors to the effect that there was heavy fighting between
between Ustase and Gutmadi in Bosnia and Hercegovina were current in Zagreb at the time I left my post on July 9. Confirmation of these rumors was not obtainable.

Rumors of serious disaffection in both the regular army and the Ustase organization, because of the sending of Croatian contingents to aid the Germans on the Russian front, were current in Zagreb at the time I left my post on July 9. In this connection it was said that considerable numbers had been executed for refusing to proceed to the Russian front.

A wholly false rumor which seriously impaired civilian morale in Zagreb was in circulation in the early days of the German occupation. This was to the effect that the Zagreb water supply had been poisoned.

6. **BRITISH PROPAGANDA**

It is my impression that British propaganda particularly in the form of circulars, pamphlets, leaflets, et cetera was largely ineffective before the outbreak of war. While this form of British propaganda ceased entirely, of course, after April 6 British radio propaganda after the outbreak of war was heavily discounted due to the failure or inability of Britain to extend any effective help to Yugoslavia.

At the present time no practicable means for disseminating British or Allied propaganda — excepting radio propaganda — would appear to be feasible.

7. **ECONOMIC AND MILITARY INTELLIGENCE**

Except that mentioned under Section 5 above I have no specific information following under this heading.

8. **CIVILIAN DEFENSE**

There neither was nor is any organized civilian defense in Croatia. No special air-raid shelters exist in Zagreb or —
as far as I know - in any other parts of Croatia. There is no gas defense excepting a relatively very small number of gas masks in the hands of citizens. Fire defense is confined to local fire-fighting organizations. The most practicable means of impairing such means of fire-fighting would be the destruction of the several sirens used for air-raid alarms.

9. **POSITION OF PARTY**

It is assumed that the term "party" as here used refers to the Frankist or Ustasa organization now in power in Croatia. The Poglavnik (Head of State) Dr. Ante Pavelic has a relatively small personal following and cannot be said to be a popular leader in any sense of the word. The same may be said of his closest political associates who are a) Field Marshal Slavko Kvaternik, formerly a colonel of the Austro-Hungarian General Staff, b) the Poglavnik (Sub-head of State) Dr. Mile Bubak, a Zagreb lawyer and author who is now Minister of Education, c) Dr. Mladen Lorkovic, a former Zagreb lawyer, who is now Minister for Foreign Affairs, d) Dr. Andrija Artukovic, Zagreb lawyer, in recent years an exile in Budapest and now Minister for Internal Affairs, e) Dr. Misko Puk, former Zagreb lawyer, who is now Minister of Justice, f) Dr. Jeno Durandic, former Zagreb lawyer, now Minister of National Economy and g) Dr. Vladimir Koscak, one of Nasek's close associates, now Minister of Finance. With the exception of Dr. Bubak all of the persons above named are nonentities and were entirely unknown before the Coup d'Etat of April 10. This group has no popular support except that of the small membership of the Frankist or Ustasa party which is confined to the intelligentsia and their hangers-on in Zagreb and the other cities and towns in Croatia. They have practically no following among the peasantry which
which numbers not less than 80% of the population. This
group is therefore most vulnerable to any form of political
opposition and any effective aid that can be given to the HSS
(Croatian Peasant Party) will almost certainly result in the
overthrow of the present government in the absence of German
or Italian military support.

While it is true that the Pavelic government has
apparently created a relatively formidable army it must be
remembered that this army has no tradition and under stress
its loyalty to Pavelic and his government is very doubtful.

10. PRESTIGE OF SERVICES.

The Croatian military and civil services (there is no
naval service) may literally be said to have no prestige.
This statement applies equally to the individual officers
who with few exceptions are not only unknown but even
distrusted; the exceptions are, perhaps, Kraternik and
Stanzier of the military and Budak of the civil services.

11. MAIN SENTIMENTS OF THE PEOPLE.

The Croats are a Slav people whose ruling sentiment
is hatred for their brother Slavs, the Serbs; this hatred
transcends the hatred for the Italians whom they despise.
Their apparent leaning toward Germans is therefore in the
nature of a negative reaction.

There is also a marked sympathy for "Mother Russia"
and an emotional hope, especially among the peasantry and
the far from negligible "Communist" elements, that
Soviet Russia will triumph in the present struggle in the
east and that somehow Russia will ultimately "save Croatia".

12. MIGRATIONS OF POPULATION.

No well defined migrations of population have yet
occurred.
occurred in Croatia although there have been considerable
movements of Slovenes from Croatia to Slovenia, of Serbs
to old Serbia and of Jews to Italian occupied Slovenia
and Dalmatia. These migrations have been limited however
by restrictive measures taken by the German and Italian
authorities in Slovenia and by the German army of
occupation in Serbia. There has also been a considerable
influx of Croats into Croatia from German occupied parts
of Slovenia and from Hungarian occupied former Yugoslav
districts but a clear picture or specific information is
not available as to the extent of these movements.

The migrations into Croatia referred to are due to
expulsion, repressive measures and persecutions by the
Germans in Slovenia and Serbia and, in the case of
migration from Croatia, similar measures taken by the
Croats against the Jews and Serbs in Croatia.

15. CHANNELS FOR OBTAINING FUTURE INFORMATION.

Among my numerous contacts for political and
economic information in Zagreb the most important is an
honorary foreign consul in Zagreb, who has promised to
keep me currently informed of the local situation in so
far as he can safely do so. In addition there are a
number of former residents of Zagreb in the United States
who are in constant communication with their families
in Croatia and through whom I expect to be kept currently
informed of all important developments there. The precise
channels of communication, in the case of the above
mentioned foreign consul, are the Finish diplomatic
missions in Berlin and Rome, which I understand have
means of transmitting such communications.
In the case of the Croats residing in the United States I am informed that these persons have secret means of promptly obtaining information as it develops.

14. IDENTIFY OF AGENT REPORT AS AGENTS.

I have no information concerning such agents acting in the United States or elsewhere.

15. BRITISH BLOCKADE.

Appears not to be applicable to the Croatian situation.

It may be unnecessary to say that I shall promptly report to the Department any information relating to political, military or economic developments learned of by me from any reliable source.

Respectfully yours,

John James Kelly
American Consul.