

SECSTATE

WASHINGTON

# 5163 - Aug 23

Our 639 returned here late yesterday having left Rome evening 21 where he had been since 17. Reports travelling nightmare walked some 15 kilometers make connections Milan. Here is his survey.

Badoglio prisoner of situation but not entirely unwilling. Has hypnotized part of opposition by idea that Fascism undone and by giving opposition some posts. Example Buoizzi Socialist and Roveda Communist given positions in official workmens confederation. Press strictly controlled and some arrests in opposition ranks particularly Partito Azione and Socialists.

In effect Badoglio is playing on card that war will swerve around Italy and that delay <sup>working</sup> playing in his favor. Also Germans endeavoring make impression by stating that Russian offensive coming to end and that talks with Russians proceeding which may bear fruit when East front stabilized. Also threatening use gas etc.

Badoglio claims all his efforts make contact Anglo-Saxons have proved futile and to build up this story has sent out various envoys as part of delaying game. Hence Berio sent Tangiers from Foreign Office and Marchese d'Ajeta and a general to Lisbon. Former is old member Ciano outfit. Also Grandi sent Spain. In addition there have been some conversations with Osborne in Vatican. Foregoing smoke screen for delaying action and meanwhile regrouping of old forces which worked with Fascism is taking place and not one of big Fascist profiteers has been molested.

Notwithstanding foregoing 639 and his friends believe that with bold action we can win over Badoglio if he is sure we mean business. Hence Partito Azione which 639 represents recommends firm decisive action. They are convinced -----

Approved for Release  
 Date OCT 1992

that

11-502

Aug. 23

that German forces Italy not as strong as generally pictured and value it at only slightly above 12 divisions. Further that 3 or 4 of these divisions which have been stationed for some time in Italy are infiltrated with corruption defeatism and not dependable. Our friends believe concerted action by us with some assistance from Government to prevent use gasoline stores strategic RRs etc. plus concerted action by opposition parties could make German position Italy untenable except in immediate vicinity Brenner which however they believe they could cut.

Partito Azione through 639 recommends that stiff message be sent B. through Osborne Vatican that we are tired with Governments policy of delay and vacillation and that if they have anything definite to say they should do so immediately through contact which 639 has established Switzerland. Parenthesis Purpose of this is to take conversations out of hands of neo-Fascists and untrustworthy elements who may be only playing us and put through trusted channel which has direct contacts with opposition endparenthesis. If this done they suggest second step would then be for us to advise 639 that B. should send at agreed time and place secret military delegation to ~~our~~ military headquarters Sicily or North Africa to arrange under conditions proscribed by us measures of concerted action <sup>by</sup> our forces and <sup>by</sup> Italian Government ~~action~~ for elimination German forces Italy. We would then proscribe our own terms. B. Government would coincidentally create incident with Germans as basis for their action and opposition parties would take this as signal for general uprising against Germans and supplement by sabotage any Government measures to interrupt German communications seize gas stores etc. Parenthesis Plenty of excuses for incident.

For.

For example recently near Verona Germans started introduce quote occupation marks unquote which hastily withdrawn endparenthesis.

Following general information. Lusso has arrived Rome and actively working with Partito Azione. Party has elaborate plans for handling sabotage electric plants. Unfortunately ~~these~~ *blueprints* destroyed last Milan bombing but being promptly reconstituted. Of the approximately 12 German divisions in Italy about ~~four~~ four and half south of Apennines balance in north. Of former half division near Naples one Apulia one Viterbo others scattering. This doesn't include *evacuated* Sicily forces which have little equipment.

Replying our inquiry whether program represented view all opposition parties 639 replied that ~~view~~ discretion <sup>did</sup> ~~required~~ not *permit* discuss <sup>with</sup> other parties but was convinced all left-wing opposition would go along and right-wing opposition unimportant where action involved.

639 says suggestions represent considered views his associates and he considers them practicable. Foregoing of course not discussed <sup>by 639</sup> with B. Government people but his impressions from conversations with them including Mario Badoglio is as follows. If B. Government sternly pressed and ~~is~~ <sup>B.</sup> absolutely convinced that Italy will become immediate theater major military operations and that it cannot escape this by some accident in Russia or Allied landing in France then B. Government will go along <sup>unless</sup>. He feels that fundamentally ~~Badoglio~~ wants to find way out on our side if he cannot win through by mere delay.

639 has <sup>my</sup> ~~our~~ confidence from viewpoint integrity and ability and sincerely anti-Fascist. 645 participated these conversations with 639 and is sending immediately corresponding report War Office London. This from 110. Copy to Victor. <sup>I made no comments on foregoing and report as information.</sup> Repeated London Algiers.

HARRISON

AWD