

January 9, 1942.

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MEMORANDUM.

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To Mr. A.W. DULLES
From G.M. Meyer.

Last night I saw Ignatio Silone at the Oprechte and he gave me the following information in an hour's private talk. - Several of the Italian generals under the leadership of Badoglio and the easily led crown-prince Umberto are convinced that Italy will shortly lose the war.

The Italian commercial attaché to Berlin, whom Silone has known for a number of years and in whom he has confidence, approached Silone within the last two weeks, having come directly from the headquarters of Umberto with certain proposals. This group is convinced that after the fall of Bizerte and Tunis, Turkey will join the Allies during the spring, and the Italians are most anxious to arrive at some arrangement for capitulating during the short interim which they believe will take place between the final conquest of North Africa and Turkey's active entry on our side.

The great hesitation on the part of this separated^{ist} group is caused by the fear that within two months of leaving Germany, Italy would be faced with 3 - 4 000 000 unemployed, because they are entirely dependent on Germany's coal and raw materials, and that the British have insufficient transport facilities to be able to fill the gap.

The great question seems to be^{the formation of} a provisional government for which this group are trying to lay a foundation. The Berlin commercial attaché sought out Silone to find out if the Socialists in Italy would support the separatist group. Silone, after conferring with his colleagues, told the attaché to carry back a message to Piemonte, that if Badoglio and Umberto take the initiative in forging a separate peace, the Socialist Party will support this move and leave the form of government to be decided later on by the will of the people. Silone expressed himself as extremely suspicious of the royal house, because he called to mind the Matteotti affair of 1924, which, according to Silone, at Mussolini's order led to the assassination of Matteotti and resulted in the unkept promise by Victor Emmanuel to depose Mussolini at the following assembly, if the Socialists would meantime keep the peace.

The commercial attaché has now returned to Badoglio's headquarters with Silone's reply.

He^s believes that the widely circulated information of Italy's being occupied by Germans is largely fiction, claiming that this German group consisted mostly of technical advisers and that they could not possibly control the Italian people should they decide to act against the will of the German government.

G.M.
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