COPY

From: VENICE TOKYO

SECRET

Dated: August 3,1944 Rec'd: August 8,1944

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Re my message No.248

MOST SECRET. Treat as under official seal.

According to what the Italian Vice-Minister for Foreign Affairs told me in confidence, at the interview which he had with Foreign Minister Ribbentrop at the German Supreme Headquarters, the German Foreign Minister explained in substance as follows:

"Frankly speaking, the present war situation is an exceedingly trying one, and moreover, one which has been entirely brought about by the enemy's superior military power of late. However, we are now moving our factories underground, and are striving with might and main to increase our production (I hear that recently the Germans had the Italian Chief of Labor inspect these underground factories), so that by the end of this year we expect to be more or less on an equal footing with the enemy in the production field. On the other hand, we shall shortly start using the V-2 and the V-3 on the western front (it appears that the Germans have given a general idea of the great power of these weapons to the Italian general staff) If in conjunction with these factors, the British and Americans come to realize the difficulty of carrying out the ..... an ever increasing disunity of views between Britain, the U.S. and Soviet Union in the matter of their respective interests will manifest itself so that we may find some hole to squeeze through and later on find it possible to reach some kind of a political compromise with them. Until such time, there is no other course open to us but to carry on the war utilizing our only strong point

HIDAKA

Examination Unit National Research Council August 16,1944

W.L.M. King Papers, Memoranda and Notes, 1940-1950, MG 26 J 4, Volume 358, pages C247072-C247895