

VIA AIR 5-54
SPECIFY AIR OR SEA ROUTE

DISPATCH NO. HAS-A-449

TOP SECRET
CLASSIFICATION

TO Chief, Foreign Division M
Attention: [redacted]
FROM Chief of Station, Vienna

DATE 1 May 1951

CLASSIFICATION *Secret* OR CHANGED TO

SUBJECT GENERAL: Operational
SPECIFIC: Approach to ZAKO

Reference: SALZ-100; WASH-39567

BY AUTHORITY OF [redacted]

1. We are forwarding herewith the radio correspondence on the Detachment 35 A-2 approaches to FARAGO and KORPONAY. All of the Detachment 35 correspondence was written by [redacted] on behalf of A-2. [redacted] acted as consultant to Detachment 35, and at the last meeting with KORPONAY (coded 2157 in XDB-1118) KORPONAY was really shown that U.S. intelligence is thoroughly aware of his and ZAKO's activities and approaches.
2. Up to the time that [redacted] and his associates threw the book at him, KORPONAY had been extremely arrogant. If this approach to getting an intelligence operation through the ZAKO group fails, we doubt if any approach will be successful. KORPONAY has always been the man to whom ZAKO has delegated the responsibility for whatever intelligence collection he has sponsored. Therefore, there would seem to be no point in approaching ZAKO directly until we see what KORPONAY has to offer. If it turns out that KORPONAY submits the names of FRANZISKA REAKY, KAPITANFFY and all of the other MHRK intelligence contacts we know as his staff for the Detachment 35 operation, we will know definitely that the break with ZAKO is purely an arrangement of convenience because these people have not broken with ZAKO. In that case, whatever plan KORPONAY presents will be the best offer the MHRK can present.
3. It is requested that Headquarters permit us to postpone the direct approach to ZAKO until the KORPONAY project has been tested. Meanwhile, if FARAGO returns to Europe, we will use A-2 as a cover to contact ZAKO through FARAGO. We do not feel that an independent approach directly to ZAKO will bring any results as long as ZAKO has any reason to believe that FARAGO's grandiose scheme may be accepted by the U. S. Government.
4. Re paragraph 3 of WASH-39567: We have direct contact with Radio Free Europe through Foley, who has met [redacted]. However, since [redacted] is so close to the top RFE people, we feel it is best to handle most liaison problems through him. If [redacted] were to begin to function as consultant to RFE on Hungarian

beta

check

Send to [redacted] [redacted]

D-38-10-1
5-Encl

110 COPY
TOP SECRET
CS COPY

OK to declassified
[redacted] 5/11/51
OK for declassification
[redacted] 5/11/51

matters, he would have little time left for other operations. Furthermore, the approach to the information collection of RFE is so different from ours that our advice on Hungarian sources would scarcely be taken. The case of Robert KALMI is a case in point. We consider him an insecure peddler of highly dubious material, whereas RFE considers him their best source of Hungarian information in spite of our warning.

5. The following reports are attached:

- a. Memorandum for the Record, Subject: Conference with Ladislav FABACO of Radio Free Europe, dated 19 April 1951
- b. A-2 WASH Cable No. K-2965, dated 5 April 1951
- c. A-2 WASH Cable No. P0513, dated
- d. Detachment 35 Report, No. XOB-1116, dated 20 April 1951, Subject: Operation DABBY
- e. Detachment 35 Report No. XOB-1128, dated 27 April 1951, Subject: Operation DABBY

[]
[]

3 - Wash w/incls.
2 - Wien w/incls.
2 - Salzburg w/incls.

DESENSITIZED

Ref GSN 43-28

CS COPY

200-46-124

~~SECRET~~

April 19, 1951

MEMORANDUM FOR THE RECORD

SUBJECT: Conference with Ladislav Farago of Radio Free Europe

1. In reference to the attached cable from the Chief of Staff, USAF, the undersigned and [] traveled to Munich [] to contact Ladislav Farago. We arrived in Munich about 1430 hours on 13 April, took a room in the Excelsior Hotel and telephoned the office of Radio Free Europe to contact Farago. He, at the time, was not available so a message was left for him to come to our room at the Excelsior.
2. At about 1600 hours Farago came, apologized for being late and proceeded to make us his proposal. We identified himself as being in charge of the Hungarian Desk for the headquarters of Radio Free Europe. He described the job that RFE was attempting to do and gave us a brief summary of the programs that are being channeled into the peripheral countries at the present time. He stated that the new transmitter in Munich had been completed and that starting very shortly RFE would be channeling 11 hours a day of programs into the iron curtain countries. He described the programs that are in progress now and the amazing response that has come out of Hungary.
3. In discussing one program called "Post Office Box 6220" he said that as many as 700 letters per month had been received from individuals inside Hungary. These letters were comments on the program, questions, descriptions of life in Hungary and the usual radio-listener type letter. He described another program called the "Doctor's Program" which employs prominent Hungarian doctors and gives medical and technical advice to people in Hungary. This program was also enjoying excellent response. A third program called the "Historian Program" was just getting underway and according to Farago was being responded to by amateur Hungarian historians.
4. Other work that RFE is doing consists of screening and interrogating refugees to obtain "hot items of news" from behind the curtain. He said that RFE was establishing offices in Trieste, Munich, Salzburg, Vienna and in many other cities "around the edge".
5. After the description of the present activities of RFE, Farago was asked to discuss his connections with General Zako and the MHEK. He said that his original contact with Zako had been made through Nicholas Laza, member of the Hungarian National Council in New York. Following that introduction, Farago wrote to Zako from New York, explaining to him briefly that RFE was interested in his organization. Zako answered this letter with a long general description of his capabilities and a statement as to his intentions. Zako said he was interested only in the reestablishment of a free and democratic Hungary, that he himself had no personal axe to grind and realized that he had no following politically inside Hungary. He asked Farago to contact him personally in Europe.

CS COPY

~~SECRET~~

[Encl - 2

ENCL 2

110 COPY

200-6-12-15

SECRET

6. Farago reviewed Zako's offer and decided that he could use him to collect information and run operations into Hungary. He went to Washington, contacted General Vandenberg of the Air Force and was referred to General Ackerman to whom he outlined Zako's proposal. Ackerman's interest apparently resulted in the cable attached. Farago arrived in Munich and contacted Zako, invited him to Munich and spent two days conducting a thorough debriefing of the potentialities of Zako and his MHEK. He said that his approach to Zako was made on the basis that Zako was a complete failure, that no one in the World was interested in him because of his rightist political connections. Zako admitted that so far none of his overtures had met with any success and that he was willing to do anything now to gain support. Zako told him that his resistance (KOPJAS) organization which he and SKORZENY had established in 1944 and 1945 was still in existence inside Hungary. He claimed that the organization originally consisted of 35,000 members and that the complete registry is in his hands in Innsbruck. He claims that the registry had been kept up to date and that occasional couriers have contacted the members in Hungary. He admits that this organization needs revitalizing and that many of the members have expressed apathy towards any overt action at the present time. He volunteered to travel himself in the guise of a protestant minister to Hungary to contact former KOPJAS members and to reestablish the organization.

7. He said he had taken sufficient precaution in 1945 to keep the organization from being blown. However, he admits that following the assassination of Attila Kovacs as many as 300 people, former members of his organization were executed or taken to Russia by the MVD. He felt that those remaining members of the organization were secure and are not penetrated.

8. As proof of his ability Zako offered to turn over to RFE 400 couriers who would travel to Hungary at various times getting information. In addition he offered to kidnap any individual suggested by RFE. He himself suggested the daughter of one of the AVO leaders and he volunteered to deliver this girl to Salzburg. At the present time Zako said he is only conducting debriefing of refugees, monitoring of police reports, maintaining KOPJAS registry, and sending an occasional courier into Hungary.

9. In reference to support given to Zako by other countries, Farago said the only actual support had come from the French and had soon been withdrawn. Also control of the Hungary Guard Company in Innsbruck had been taken away from Zako and he was completely dissatisfied with the support he had been able to obtain from other countries.

10. Zako's personal support appears to come from a foundation called ZRINYI which is apparently based in the U.S. and is supported by wealthy Hungarians there. Zako apparently draw sufficient living expenses from that organization.

11. Farago went on to describe RFE's interest in the Zako organization. He said that it was his idea to establish a front organization called the "Fighters for a Democratic Hungary" behind which a secret intelligence organization ~~should~~ could operate into Hungary. This intelligence organization should be capable of getting up-to-the-minute news of events within Hungary, of doing small acts of sabotage and of creating unrest within Hungary including even the kidnapping of prominent individuals. He felt that he could use some of Zako's resources to set up his intelligence organization. However, he had no intention of employing or supporting Zako himself. He felt that having small items of support to Zako he could get him to turn over some of his personal resources for use.

SECRET

SECRET

Farago intends to closely control any operations reaching into Hungary and to keep that control from falling into Zako's hands. Naturally most of his plans are in a nebulous state at the present time.

12. He said he would return to the U.S. on about 15 April and contact the Hungarian National Council to smooth over their objections to RFE's use of the MHBK. He said he could convince that National Council that for reasons of expediency they should not object to contact with Zako. He then intends to draw up his plans and return to Europe about 7 May when he will again contact Zako and go to work putting his plans into effect.

13. Farago felt that the Air Force should be interested in this plan for the following reasons:

a. because the new organization could provide escape and evasion networks for downed fliers and

b. because he thought that accurate and voluminous information could be provided.

He felt that RFE and the Air Force should cooperate in running this outfit. He said it was quite possible that technical parts of air planes and engines could be brought out of Hungary by this network. He asked for our recommendation on the subject.

14. [J and I both said that the Air Force would be definitely interested in such an outfit provided that we could first have satisfactory proof that they could do something. We told him that in order to satisfy ourselves as to the value of any such unit we would first have to receive and evaluate intelligence reports, including the operational details of their procurement. We also told him that it might be possible that sometime in the future we would have an interest in acts of sabotage and kidnapping but at the present time we had absolutely no interest in these things. Farago appeared pleased with our interest and said that on his return he would recontact Zako and let us know the results. It appeared to us that Farago intends to go ahead "full steam" with his plans.

15. It appears from this discussion that an intelligence jurisdictional flap is about to happen. It might be well for USFA to determine the conditions of RFE's charter in Europe and to find out to what extent they are authorized to dip into the intelligence gathering business. They seem to have unlimited funds but a limited number of capable personnel and that many of the mistakes made by USFA and CIC throughout the past years are about to be repeated. It looks as if business will soon become good for the intelligence factories of Austria.

SECRET

COPY

SECRET

TOO : 041956 Z RPUTINE MC IN K-2965
 TOF : 060725 Z rdw/B
 FROM : CHIEF OF STAFF AF BIN C/CC
 TO : CG USFA FOR AIR FORCE SECT
 REF NO : NIL

COPY FILED IN: 201-4500

Ladislav Farago, Hungarian born newspaperman, naturalized United States Citizen, editor UN world since 47, world traveler, experience and big time operator type, has contacted General Ickerman(sic) stating he is intimate of Hungarian high-up in military underground organization, of which the commander is General Andras Zako, Casthaus Bogner, Abszam, Inn, via Innsbruck, Tyrol, Austria. Zako known in hotel as G. Kovacs, can only be contacted if person carries introduction from contact in United States. Farago states underground organized on military basis, largely former Non Coms Hungarian Army and Air Force. Farago mentioned 40,000 person in movement widely distributed in Hungary, as having high subversive potential, and trained intelligence collecting organization. Farago states Zako has authorized him to offer services this organization in collection and guerilla fields to United States military intelligence. Interested here in collection just now. Farago to be in Salzburg about 7 April has been advised to contact you as one most familiar with just what assistance this activity could give and what use, if any, will be decided this headquarters following his conversation with you. Hope names of contacts, plus other information will give you basis to determine credibility, feasibility and practicability of using this activity and making recommendation to us on same. CIA cannot use him or activity at present. Suggest you be noncommittal, offer no info, promise nothing, but thoroughly explore possibilities. If we decide to take any action on your recommendations, will put you in touch with Zako and furnish additional information. Farago's security status is controversial, not much from any definite information as from wideness of contacts. Any possible use we may make of this activity will be originally exploratory. 1951 whos Who gives further information on Farago.

SECRET

CS COPY

110 COPY

Encl 3

ENCL 3

200-6-12

SECRET

DETACHMENT 35

SUBJECT: Operation DABBY

XOR-1118

Ref: None

Project: Darby

Date: 20 April 1951

OPERATIONAL REPORT:

1. This report is based on an interview with KORPONAY Miklos, which was conducted with several aims in mind. Primarily, to determine the reasons behind the alleged split between Gen ZAKO Andras and K., present organization and role of the HUNK in Austria, the general Hungarian Emigre picture, status of Hungarian resistance efforts and organizations, and finally, and most paramount, to explore the possibilities of utilizing K. to build and operate a new chain type project into Hungary. This latter point was based on the assumption that within G2, WFA, there exists a need for such an operation as unorganized, controlled, reliable penetration exists at present.

2. On 22 March 1951, Hugo THUX, an indigenous employee of 4300th CIC, Salzburg, known to 35713 personally, reported to 35713 that KORPONAY, former Chief of Staff to General ZAKO Andras in the HUNK, had broken with ZAKO and left the staff of the organization. Alleged reason was that ZAKO had used the organization in political intrigues, while K. favored the pure militaristic line. Following a general path. 35713 discussed this information with [redacted] and [redacted]

At this point, [redacted] it was decided to attempt to talk with [redacted] discussed the foregoing, with its [redacted] and possibilities, with Lt. Col. John Roberts and [redacted] received verbal clearance to arrange the talk. 35713 subsequently [redacted] instructed THUX to invite K. to Mattsee for a weekend inasmuch as [redacted] and K. are acquaintances of long standing and such an invitation would invite no suspicion.

3. During the week beginning 25 March 1951, it was learned that K. had gone to Munich for a kidney operation and would not be available for interview for some time. THUX was instructed to arrange the Mattsee trip as soon as K. was able to travel.

4. On 16 April 1951, T. notified 35713 that K. had arrived in Salzburg. T. was instructed to follow the previously arranged plan and take K. to Mattsee and lodge him in the Gasthaus Iglhauser and that 35713 would contact him the following morning. At no time was T. told what 35713's interest was in K. or what the topics of

SECRET

CS COPY

Encl 4

IID COPY

200-6-12

ENCL 4

SECRET

(Det. 95, XGR-1118, dtd 20 Apr 51, Subj: "Operation DABBY")

discussion would be. T. does know that 35713 is assigned to the 430th CIC Det.

5. At 0930, 17 April 1951, K. was contacted at the TRUX home in Mattsee by 35713, 35124 and [redacted]. After appropriate security checks, the group then repaired to K's room at the Gasthaus, where all discussions herein related took place. During the course of the interview, spot security checks were made of adjacent hallways and rooms.

6. As an opening question, K. was asked to outline in general terms the entire Hungarian Empire question. While his knowledge and observations were interesting, they are not included herein as they have no bearing on this particular subject, except to highlight the following points:

a. The Hungarian exile groups are not unified and do not function in common interests, but rather in a limited self-centered manner. There are splinter groups within splinter groups resulting in incoherent, disjointed efforts to achieve a free, democratic Hungary.

b. There is no active resistance movement within Hungary, but a strong inactive, unorganized group which could be sparked into life and organized if presented with a continuous flow of single pattern propaganda and instructions stemming from a common source outside Hungary.

c. The various Hungarian exile groups and sub-groups exert no appreciable influence on the populace of the homeland. Machinations of the various leaders in exile merely represent attempts to entice other exiles from opposing exile camps, so that the effects of these peripheral maneuvers are not felt or even known within Hungary.

7. K. will be asked to prepare a study on his knowledge, observations and conclusions on the entire Hungarian Empire question at a later date. This study should be interesting from a historical standpoint and will serve to clarify certain questions on policy and personnel. However, certain specific points concerning the NEMK, it is felt, should be presented here. Serving ZAKO as Deputy is NADAS Lajos. The rest of the staff is broken down into six sections; Administration & Supply, Personnel, Overt Propaganda,

SECRET

SECRET

(Det. 35, XGR-1118, dtd 20 Apr 51, Subj: "Operation BARRY")

Covert Propaganda, Counter Intelligence and Positive Intelligence. K stated that the intelligence operations are extremely controlled and information is sold in numerous directions; U.S., British, French, Vatican and Spain. He further states no one on the staff has any idea how the information is split up for the various customers or how much money is received from each quarter. The contacts with the various customers are carried out on an individual basis and allegedly are not controlled at the MHRK staff level. There is a remote connection existing between the Hungarian National Committee in Washington and the MHRK; however, the connection is extremely inactive. (3571) comment: The MHRK connection to the US is probably through KOLLENYI Gyorgye, FIB operative in Salzburg.)

8. In view of K's hesitancy to answer questions dealing specifically with MHRK intelligence operations, he was asked if in dealing with (3) Americans he was acting as a representative of the group. He stated that his split was with ZAKO and that he was representing himself as a person, ex-staff officer of the Hungarian Army and not as the representative of any group. He then went on to explain the background of his break with ZAKO and why he, with mutual consent, left the staff of the MHRK. The MHRK has always been faced with the problem of survival. ZAKO, as Chief of the organization, has always advocated complete cooperation with the French as a *modus vivendi*, while K. and other unnamed high ranking members of the leadership have advocated a policy of neutrality, a waiting role pending the emergence of the leader between the U.S., British and French in sponsoring and aiding Middle European resistance organizations. ZAKO, mainly at the insistence of other members of the staff, had made a few abortive attempts at gaining U.S. cooperation but had failed completely. During recent months, K. gradually became aware that ZAKO had sold out the MHRK completely to the French and that the organization was entirely under French control. His quarrels with ZAKO over this turn of events became more bitter and ZAKO undoubtedly made K's feelings known to the French as ZAKO found himself unable to procure simple documentation. While ZAKO apparently wished to retain K. on the staff, this was impossible as K. was apparently unacceptable to the French and his continued presence would only serve as a deterrent to MHRK-French complete rapport. ZAKO wished to remove K. with as little embarrassment to K. as possible and at the same time to avoid undue publicity about the split in the ranks. It was decided, in view of K's rapidly failing health, to have him resign for that reason. The plan was carried through and K. departed the French Zone for Munich for the above described operation.

SECRET

SECRET

(Det. 35, XCR-1115, dtd 20 Apr 51, Subj: "Operation DABBY")

9. K. was asked what his future plans were. It developed that while in Munich he had talked with a Mr. SPERLING of Radio Free Europe who had expressed interest in him and stated that he would let him know concerning employment in two or three weeks.

10. The general subject of the possibility of building a courier line with resident sources into Hungary was broached to K. At this point he offered the following described plan. The plan is dealt with in only general terms. K. has been instructed to draw up his plan in detail and submit it at the next meeting scheduled for 21 April 1951. K's plan is built on the following basic tenets:

a. Resistance and intelligence gathering efforts are inseparable. To achieve the latter you must first build the former in the target area.

b. As a corollary point, no mass intelligence effort can be built by the contact coming from the outside in. The impetus for organized resistance must be given from the outside, then the contact from inside must naturally follow.

c. Anti-Communist propaganda beamed into Hungary is too diversified and too intangible for the common people. It has no follow-through, and is a voice without a body, which confuses rather than unites.

d. The normal pattern of past intelligence operations must be reversed. The operational headquarters should represent the apex of the triangle with the heavy base resting in the target area.

e. Information is not a commodity which can be purchased on a retail basis. True penetration of a Soviet-orbit nation must be achieved by first banding together ideologically oriented anti-Communist elements into a strong homogeneous body.

11. Based on these points, K. proposes the following: That a staff consisting of himself and four other completely trustworthy individuals who are now available to him and will be named later, be formed to be based in the US Zone of Austria or Germany. This staff to be broken down to perform the following functions:

Propaganda - Preparation
Dissemination

SECRET

SECRET

(Det. 35, XDR-1118, dtd 20 Apr 51, Subj: "Operation DABBY")

Intelligence

Partisan Activities

Administration & Supply

Initially, hand bills, newspapers and other printed matter to be distributed in Hungary announcing the formation of a unified resistance movement (to be named later). This message to be delivered in such a manner that it will convince the people that here, finally, is the culmination of previous propaganda efforts and is the group which they can join to give expression to their convictions. It will also announce the first of a regular series of broadcasts, which will be the official voice of the movement. The plan then phases into the radio operation, which is continued on a regular basis after the afore-described contact from within materializes. As the movement and organization grows, regular courier lines are established. The intelligence gathering efforts are then commenced and careful plans laid for partisan activity at an opportune future date. The initial formative stage has now been passed, and the organization can be shifted or redirected to produce various desired results, such as the following:

- a. Escape and evasion routes for Allied personnel should such become necessary.
- b. Sabotage and other partisan type activities, if needed.
- c. Collecting and submitting of organized, controlled intelligence in Hungary.
- d. Conduct psychological and/or propaganda warfare.
- e. Radio chain for communications to couriers, residents and members within Hungary. Likewise, emergency signals can be passed out of Hungary.

Two byproducts will also follow naturally after culmination of the plan: 1) there will be a unified, single channel, purposeful flow of anti-Communist propaganda, resulting in singly unified resistance within the country and 2) as the movement grows, other Hungarian Emigre groups and sub-groups will be forced to fall in line with the movement, thereby bringing all under U.S. influence or control.

SECRET

SECRET

(Det. 35, XOB-1118, dtd 20 Apr 51, Subj: "Operation DANNY")

12. K. was then instructed to draw up this plan in detail and submit same at the next meeting scheduled for 24 April 1951, which is to be held in Hotel Nirsche, Salzburg, where a room was obtained for this purpose. At this time K. stated that he will not register there under his right name but will use the name BRUNO JOHANN. He then displayed an Austrian ID card issued to BRUNO JOHANN. An inspection of this ID card, #60200, by 35124 disclosed that it was issued by 430th CIC Det., USPA, Sub-Detachment "A", probably in 1947 or 1948 (see paragraph 13 c.). He was warned on the security aspect quite strongly and stated that he had never discussed this plan with anyone else and did not intend to do so. His cover story to Z. was going to be that only his break with Gen. SAED and the NHRK had been discussed. (K. will be asked to prepare a study on the NHRK, principally its intelligence operations, and this will be submitted at a later date.) K. was then given 700 Schilling to carry him over to the next meeting and was promised a subsidization of 2,000 Schilling per month for the next two months, pending acceptance of all or part of his proposals. K. then asked what he should do if the Radio Free Europe offer came through in the meantime. It was suggested by him that possibly taking the position would offer excellent cover for his activities if and when the above plan is approved. (35719, 35124 and _____ concur in this, and recommend 35782 attempt to work something out with SPERLING if it is decided to proceed further with K.)

13. Attention is invited to the following points which may reflect on K. adversely. They are offered merely as points meriting consideration and are submitted without comment by (3 Americans) in an attempt to view all aspects of the contact with K. quite objectively:

a. The alleged break between K. and SAED is a pure fabrication aimed at gaining, quite indirectly, strong US support for the NHRK.

b. K. is acting as front man either for KOLLEWYI (TIB is dropping him effective 1 June 1951) or for Gen. Bela KENDYER of Graz, a prominent figure in Graz Hungarian fabrication mill and contact for the Hungarian Committee in New York.

c. K. was in contact with CIC in Salzburg and Linz in 1947 and 1948. (He named Mr. John Burkell and Mr. Fox (Geo. W. INESON) as his contact. Information is being developed on these former contacts?)

SECRET

SECRET

(Det. 39, XDR-1118, dtd 20 Apr 51, Subj: "Operation SARRY")

35124, 19713 &

Evaluation of K.1

14. ^{KORONAY C.C.} ~~K.1~~ impressed all concerned very favorably. He is extremely intelligent, polished and has the faculty of driving directly to the core of a problem without branching off onto tangents. He expresses himself quite clearly and precisely and makes all points carefully. Psychologically, he seems to be an idealist. Whether he is capable of turning his ideas and plans into reality is something that cannot be judged at this time, however, his thinking is always sound and logical.

Description of K.

15. He appears to be about 40-45 years of age, thinning grey hair, sprinkled with black, receding hair line, grey-blue eyes, well dressed, suave appearance, very neat, about 5'10", about 160 pounds, normal, trim build, addicted to using various colored pencils and paper when expressing himself. Smokes heavily, no glasses, clean shaven. Adheres to a very strict diet due to recent kidney operation.

16. At 2000 hrs, Z. called at the home of 19713, ostensibly for the purpose of returning a magazine which his wife had borrowed, but actually for the purpose of trying to discover the extent of the conversations with his friend K. 19713 told him that K. was an extremely intelligent man, and that the discussions about Gen. ZAKO and the MBEK had been highly interesting, but that K. was so undecided on his future plans, it was doubted he could be utilized. It was also hinted that K. had expressed interest in making a connection with Radio Free Europe and that he would probably go with that organization.

17. It is recommended that this preliminary proposal be submitted to higher headquarters and that some indication of complete or partial approval or disapproval be forthcoming to aid in the future handling of K. It is stressed, and (3 Americans) have no illusions about running the proposed operation otherwise, that all future negotiations and contacts be of a tightly controlled nature and a primary requisite be that all operational data be completely assembled on a continuous basis. It is further recommended that as a preliminary measure 4,700 Schilling be allowed for experimental and exploration purposes to cover the

SECRET

SECRET

(Det. 35, XOH-1118, dtd 20 Apr 51, Subj: "Operation DABBY")

subsidization of X, for the next 6 months while his plans are being committed to writing and being considered by appropriate US authorities.

25124

39713

SECRET

SECRET

DETACHMENT 35

SUBJECT: Operation DABBY

XOR-1126
Ref: XOR-1118
Project: ~~Design~~
Date: 27 April 1951

OPERATIONAL REPORT:

1. At 1400 hrs, 24 April 1951, 2157 was met in confidential quarters located in the Hotel zum Hirschen, Salzburg, Austria, by 35124, 35713 and . First mentioned continued to use his usual alias of Mr. Brown, 35713 under his correct name due to initial approaches to 2157 through Hugo TRUX and continued to use the alias of Mr. HARTFORD. After usual security precautions, 2157 submitted general plan attached hereto as Appendix "A".

2. Inasmuch as the plan was written in the Hungarian language, 2157 went over the plan step by step, translating into the German language. Basically, the plan sub-divides into three general categories: critique of past US intelligence operations, theoretical basis for founding a new type intelligence operation into Hungary, and lastly, general observations and comments. General points were discussed pro and con and bear no merit herein, except to state that 35124, 35713 and are fully aware that the plan is highly optimistic and would be subject to considerable revision in order to adapt it on a practical basis. The prime interest remains in carefully cultivating and developing control over 2157 in order that his position, prestige and obvious talents may be turned to the fullest US advantage, vis-a-vis operations directed against Middle Europe and specifically Hungary.

3. Toward the end of the discussion, 2157 presented two (2) copies of his plan (in Hungarian) and retained one copy. He requested that one of the Americans receipt his retained copy to indicate that two copies were turned over. His request received an extremely negative response which prompted his launching into a tirade against his previous shabby (sic) handling by US intelligence in Austria. He stated he did not wish to repeat all the past mistakes and wanted reassurance that he had achieved contact with US military representatives on the highest level possible in Austria. The meeting was terminated about 1800 hrs with no compliance to 2157's requests or inquiries. It is interesting to note the new side of 2157's nature displayed as a result of afore described outburst. While calm and in complete control of himself, source is suave, logical and displays an excellent command of German.

SECRET

CS COPY

Encl-5

ENCL 5

110 COPY

200-4-12

SECRET

(XOR-1128, dtd 27 Apr 51, Subj: "Operation DANBY")

However, when unnerved, outraged or indignant, source's suavity slips considerably, he lapses into a poor German and, on the whole, completely displays the Hungarian side of his nature.

4. 35124, 35713 and [redacted] conferred with various members of Det. 35 Staff Group, G2 Opns and INB the entire morning of 25 April 1951. It was decided that 2157 should be handled with extreme firmness in the meeting scheduled for the afternoon of 25 April. The U.S. position reference his own person, his plan and the Hungarian Emigre picture in general were to be explained to him carefully. He was to be impressed with the need for complete US control of him and any or all operations. If agreeing to such control, negotiations could be continued. If not agreeable, negotiations were to be broken off at that point.

5. Source was recontacted at 1330 hours at the same confidential quarters in the Hotel zum Hirschen. Routine security checks were made. (HARTFORD) appeared in uniform in the rank of Lt. Col. and acted as spokesman in laying down the terms of continued negotiations as outlined in preceding paragraph. 2157 accepted all terms completely and further stated that he wished to work under complete US control and could not visualize any degree of success otherwise. When queried on the point, he re-emphasized that his break with Gen. ZAKO was real and not a plot. He stated he had not only broken with him vis-a-vis the HMK, but also personally. He stressed that he and ZAKO were "through."

6. Source was informed that his immediate mission prior to the next meeting was compilation of identities and all background information available on persons whom he proposed as staff members under his plan. He stated he was going to Bad Wildungen, Germany, for rest and cure and planned to be gone for a month. He agreed to compile and furnish the desired data for the next meeting tentatively scheduled for 1 June 1951. He will send a postcard to 35713's home (using 35713's true name which has been used throughout these contacts) merely giving his address in Bad Wildungen, signed Uncle Hans. He will then be contacted and a firm date set for the next meeting.

7. Source was then paid 2000 Austrian Schilling by [redacted] as salary for the following month. The meeting adjourned at 1445 hours on a friendly basis.

SECRET

SECRET

(XOR-1128, dtd 27 Apr 51, Subj: "Operation DARBY")

8. Referenced XOR-1118 should be corrected to indicate 2157 is not clean shaven, but has a brown, sandy mustache and eyes are predominantly blue rather than blue-grey.

35124
35713

-3-

SECRET

SECRET

APPENDIX "A"

TO

ICR-1120

Project BARKY

SECRET

PROPOSAL

SECRET

I. SITUATION

1. General

2. Intelligence references and relations

3. Hungarian references and relations

The occupied country and the defensive strength

The anti-Bolshevik intelligence agencies and functions

II. PROBLEMS AND THEIR CONSIDERATIONS.

The Intelligence success in the movement circles

The centralization of counter and positive intelligence agencies

III. ALTERNATIVES

IV. POSITIVE PROPOSALS

V. OVERALL PLAN OF BUILD-UP AND FUNCTIONS

VI. SUMMARY

SECRET

SECRET

PROPOSAL

References and relations in reorganizing the Hungarian Intelligence.

REMARKS: The author of this proposal did not, and does not now have any connections with foreign intelligence agencies. He has studied and observed the problem for many years and completely understands the inner functions of the organization. He would like to show how the proposal can succeed in its entirety. The proposal is in draft form on a few pages, presented in a manner as to show the highest intentions, the duties and functions, and the results produced by the organization without going into full details.

I. SITUATION

1. General

There are no signs that the Soviet Union has given up her plan to rule the world. The diplomatic play-acting is continuous and without change. She works for the downfall of the Western Allies even if open warfare is necessary. She spreads strong propaganda in Europe, the previous breeding grounds of capitalistic wars. The intention of the Soviet Union in the Far East is to consolidate the countries and then occupy the USA's strength fighting the hundreds of millions of Asians there. Furthermore, it will be so. It is without doubt that a general cheating war in this area, or from this area, will start sooner or later. The given situation and its expected formation indicates the significance of Europe. The Soviet goal is to be reached without regard to the well-being of the countries behind the Iron Curtain.

2. Intelligence References and Relations

The most important goal of the world-breaking dictators is: Spiritual and mental destruction, and the undermining of economic and military powers.

Methods: Penetration and infiltration

Agencies: The various Communist Parties and fifth column organizations. The smallest unit is coordinated and receives full support for intelligence purposes.

The dictators are few in the world and they rule the people with strength, usually against the people's will. Because of this, there is continuous internal strife in the Soviet Union. In addition, she is now exposed to continuous outer dangers since she has provoked the whole free world's opinion against herself. The internal and outer dangers are on a high level. Naturally, the life of the Party depends on military strength, complete security, and preventive measures. The Soviet's total intelligence and security measures have, in the eyes of the people, built a democratic way of life. The people are held together by various means of propaganda against other nations. The democracy is "Soviet Type" and security measures keep foreign elements from entering their doctrines. The

SECRET

SECRET

intelligence problem in the final outcome between dictators and democracies lies in their differences in their original structures. The dictatorial structures use force and fear to gain submission and intelligence, while the democracies can not and do not resort to those methods to gain intelligence. In practice, it means that on one side Moscow intelligence agents can sit in parliaments, in foreign offices and can possibly hold key positions in the Army, while the officials of foreign delegations are not permitted freedom of movement in Moscow. The Communist delegates in Western countries travel freely and go wherever they are ordered by the Kremlin, while in Soviet-controlled areas, even foreign broadcasts are banned.

3. Hungarian References and Relations.

The occupied country and the defensive strength:

In the present world political situation, Hungary is one of the most important countries behind the Iron Curtain for intelligence gathering. Geographically, Hungary holds a key position, an opening to the countries in the West, Austria, Trieste, Italy; in the South, Yugoslavia, and the Adriatic Sea. These are the most likely directions of attack by the Soviets. All signs indicate that the Carpathian Valley will be the Soviet Army's biggest cemetery. In the neighboring countries, Czechoslovakia, Carpathian Ukraine, Rumania, Yugoslavia, close to three million Hungarians who are a minority, can bring about this event in the Carpathian Valley. The origin, the language and religious background are the greatest enemies of the Bolshevik Government. Important communication and transportation routes cover the area of the Danube. This area also contains important industrial and agricultural areas, oil and aluminum. It is situated close to areas important to the West. The Soviets recognized the importance of the Hungarian military, political and intelligence agencies and for this reason quickly built a security and defensive organization in the country. The Hungarian Communist leaders have eliminated all opposition from positions of trust. Collectively, they liquidated the middle class, squeezed out the parliament, and got the farmers to work under force and control. The political police are everywhere and control everything. All Communist Party members are potential intelligence agents. The complete private life is under surveillance, i.e., letters, travel, and telephone conversations. The borders close to Western countries are closely guarded and the houses and buildings were taken over by Russian soldiers in these areas. Travel in the border areas is restricted and it is only a matter of time before the whole country falls under this restriction. Few outsiders can enter the country and if they do, they are closely watched. Foreign enterprises within the country were liquidated. The country is hermetically sealed from the free world and only a few have been permitted to leave. Using the plan system, they paint a false and distorted picture of the outside world, and the public is without any information to learn the truth. Under the pretext that foreign spies are infiltrating the country, they keep the population under a nervous strain. Even under these circumstances, the population is anti-Bolshevik and hates the government and is willing to make sacrifices, but still gathering intelligence information is difficult for the following reasons:

SECRET

SECRET

- a. Important places and valuable sources of information are placed in the trust of loyal, fanatic Party members who cannot be approached for any price.
- b. The whole population is kept under strict surveillance and terror, and only a few dare volunteer to assist in getting information.
- c. The task of forming a concrete cell for one or two people is too dangerous. Even if a man's personal ties and feelings are anti-Bolshevik, the material and money he receives is not enough to make a cell workable. Even if it were, he would not know where to start and what to do with the money and in all probability would sell himself.
- d. Eighty percent of the informants are being caught on the well-guarded border, or in the interior of the country in the net of the well organized security organizations. When this happens, information and tips are taken in by the Communist Party and used as propaganda, and, in the best case, the man is sent back as a double agent.
- e. The lucky few who manage to get through to their cells carry unimportant messages and they usually have double meanings.

The Hungarian security measures are patterned after the Russian systems. Even Hitler's well organized intelligence was unable to counter the Russian's intelligence. They miscalculated the Russian tank divisions by fifteen (point of interest only). They are organized into cell type organizations with a singular leader (one head). The smallest units work in harmony and probably everybody knows what is going on within the cell. The disposition should be together to make possible offensive. They report accurate and complete information.

The Anti-Bolshevik Agents, Organizations and Functions:

After the war the Western countries failed to pay sufficient attention to intelligence. France was busy cleaning up after the German occupation and the war damages. The USA and England had not been affected by ground troops so they failed to recognize the importance of continental intelligence and they lost the chance to get valuable practical experience in that field. A few years after the war, the Western missions were forced out of the main satellite cities. The trusted Allies in the cities were forced to flee or were jailed. Unnoticed, the Iron Curtain slowly descended. The Western Europe Council and Federation units were given a few hours notice to liquidate their affairs and leave. Only then did the Western countries realize the necessity of an intelligence net. With feverish haste they tried to correct their mistakes, which brought about the present condition. They tried in many ways to get information past the Bolshevik security measures, but even securing minor bits of information proved to be a major problem. In this hurried start, the organizations were haphazardly put together and the missions were not thoroughly outlined and coordinated. The different Western countries and different organizations continued to cross each other and a rivalry took place. At times they out bid each other for the same piece of information and objective. The occupation forces had no organization which could use the unfortunate EPs in Austria and Germany. These people would have gladly helped in securing information. The leaders entrusted to get information did not understand the Soviet system or the

SECRET

Hungarian situation and circumstances, and most of all the fundamental methods of gathering information. In the intelligence gathering sections there were few persons who had any experience in that type of work. The work was specialized not for quality but for quantity. The agents and supervisors were given missions without careful preparation. Buying the information was done in a haphazard manner usually resulting in compromising the agents and superiors. Prior planning was mission as was security and secrecy in the missions. Frequent changes in personnel added to the confusion. People without thorough clearances and with neither training nor adaptability entered the intelligence organizations. The Hungarians were suspicious and agents were unable to convince them of the sincerity of the mission, since they had no proper identification. This increased the growing compromise of the agents and scared the informants. Through this, the enemy received gratis information as food for their propaganda. Through this disorganized system, the agents would mix up the information and, to add value to it or strengthen it by over emphasizing its importance. This paragraph deals with the fact that there was no prepared net. The Agents, when they decided they had made enough money, would change their zones and countries, usually leaving behind the names of other agents and their background as far as their mission was concerned. After all these mistakes and shortcomings, the situation today is as follows:

- a. There is no power that is satisfied with the existing intelligence net in Hungary
- b. In the occupied country, a loyal intelligence organization, built from within is not operated by any power
- c. The intelligence nets and informants are known to the Bolsheviks and are being watched
- d. Years ago the trained agents fled the occupied country or at present have not volunteered their services. The background of the new recruits in the organization is hard to determine.
- e. The majority of the informants (couriers) are compromised, or return without any results
- f. Relating to gathering information from refugees, the refugees go from power to power and when they see that there is money in information, they magnify their stories to fanatical levels to gain a higher price.
- g. Agents and informants usually make up stories just to keep their positions secure in the organization. Not only are they dishonest, but they confuse their few friends and confederates.

To sum it all up, the anti-Bolshevik intelligence net in Hungary is bankrupt and all previous organizations and methods have not produced any results.

This system of using tomahawks against concrete bunkers and machine guns caused the liquidation of 200 - 250 agents and informants sent in from the West. At home (in Hungary), the annual rate of agents and informants being compromised is 800 - 1000. Since 1943, 1,000 foreign agents and 5,000 home agents have been sacrificed on the altar of intelligence. This is five times the amount lost in Korea by the combined Navy and Air Forces. There is no comparison to the results of the intelligence gathered to the 6,000 fanatical Hungarians who were lost to the enemy. Up to now, the systems

SECRET

produced no results and if it continues the same in an occupied country, the Bolshevik security measures are going to increase cutting information off completely. Slowly (in the Western countries) the agents and informants will disappear and even the information secured from refugees will be unreliable. If it continues the same way, Hungary will be an unknown area in the intelligence circles of the USA. In the meantime, other powers are realizing the situation and are putting new systems into effect. The fault now does not lie in the lack of funds, material or trained agents, but in the lack of a good system. We are faced with a time element, and now is the time to bring in new ideas and build up the bankrupt organization. The initial start was wrong before. A new organization on a different basis has to be built and put in operation. It has to be understood that at the present time there is no possible organization in existence. What does exist is insufficient and had to be rebuilt from the beginning.

II. PROBLEMS AND THEIR CONSIDERATIONS

The duties of agents and informants are to penetrate the enemy's defense and secure reliable information. The actual strength of the powers is tried and proven on the battlefield. The outcome of this decides the fate of the nation. For the leaders of the powers it is important that they be supplied with complete and reliable information about the enemy continuously when important decisions are to be made. Maximum success can be attained only through proper intelligence nets with missions given to them. The situation is that all solutions without the proper intelligence leaves you selling yourself short. Intelligence nets should be organized in peace time in order to be successful in time of war. The war affects the mental attitude of the people and the coun is measured by its economical and military strength. One incident following another growing larger each time eventually leads to a shooting war. The intelligence net should be in all government offices so that the doors are always open and information can be supplied whenever needed. The final aim of war is break the fighting power of the enemy. During the time of war, intelligence has to be in the inner circles at the highest level to learn the strength of the enemy. Before the war you must find out the weak spots of the enemy so the attacking forces will know the direction and road to follow for success.

In modern warfare the fighting goes on in front and behind the enemy lines. In a country at war the opinions of the people in large areas cannot and should not be disregarded. Naturally, only when a shooting war starts, can these people become active and work behind the lines. These people have to be contacted and organized by the net before the shooting war starts, this includes the provision of material and leadership. The intelligence net should be well organized not only to secure information, but also to spread propaganda, to perform economic sabotage and to create partisan uprisings. The leaders in the country gathering information should not be the factors in deciding the importance of information. It should be combined from the inside and outside keeping in mind the overall picture. Then the results will be complete and they will be working in harmony. The importance of obtaining information about security systems cannot be overemphasized when dealing with the Bolsheviks. In modern war well organized security still cannot counter all information gathering units. Secret services, Mata Hari's and paid agents are a thing of the past. Before work can be started and valuable agents sacrificed the organization has to be built up on a broad basis to produce successful

results. Only movements on a broad basis with life and a fanatical spirit can hope to have sources of information at their disposal. Even with the above conditions, all missions will not succeed. Somehow the policies of the Communist Party should be adopted. In the first place the ideology and spiritual preparation with will to win has to be indoctrinated before missions can be assigned. This organization must be patterned directly opposed to the Bolshevik doctrine. Its doctrine must be to work and build for freedom and for the downfall of the Bolsheviks. If this succeeds, the problem will solve itself and the seed will be easier to plant. The aim and solution to this problem would be a nation-wide military underground movement. All military strength should be combined in a Hungarian inner movement patterned after Tito's movement so that it affects everybody. A movement of this type

- a. Can use the anti-Bolshevik struggle and all the results and arguments of the cold war.
- b. Is not affected by foreign politics
- c. Can be a bi-partisan movement and can be absorbed by the entire nation
- d. Must be a movement on a military basis, capable of being tied in with neighboring countries having similar movements
- e. Will be expanded and made active. (It will support intelligence units, giving them necessary support and be used for sabotage and armed uprising.)
- f. Will be easily concealed.
- g. Will loosen up the Bolshevik security measures.
- h. Will use ideology, fanaticism and opportunism to win over individuals for intelligence purposes.

At present, there is no underground movement in Hungary. In a Soviet occupied country, this type of movement cannot be born without outside aid. The underground movement and its establishment naturally does not fall in the subordinate circles. The present events taking place in the world have pushed Hungary into the background. The actual question is, "Has the time arrived for such a movement and should the people be prepared and alerted for one?" If the answer is yes, this preparation work should start immediately, for valuable time is being lost and is irreplaceable. Previous intelligence experience will be employed to make the units' work easier. In the final outcome, there must be a nation wide movement which will find the whole hearted support of the people and which will supply the necessary information units.

Practical Aim.

A nation wide underground propaganda movement with successful intelligence sections on a broad basis. An occupied country's spiritual feelings have to be prepared for life's work in the underground movement to make a successful intelligence organization which is centralized and secure.

III. ALTERNATIVES

- a. There is no necessity for an underground movement. Advantage: There are no new problems. Disadvantages: Giving this key country to the adversary.

- b. There is no necessity for an underground movement. Advantage: The possibility for integration will not arrive. Disadvantage: Strongly questioned, how it will stand later if there will be a possibility to build up a movement.
- c. The underground movement will be built up by a European power. Advantage: The USA will not be concerned with it, yet they will benefit. Disadvantage: The European rivalry will cause unforeseen possibilities during and after the war.
- d. The underground movement built up by the USA through emigrant units. Advantage: The influence of the USA is secured. Disadvantage: This type of movement would be hard to conceal, and it would be very doubtful if the occupied country would trust them (emigrants).
- e. Movement under the Atlantic Pact Nations, commanded by General EISENHOWER. Advantage: Under this supervision, there will be no rivalry amongst the nations. Disadvantages: the foreign political situation is very unstable.

IV. PROPOSAL

It is proposed that an underground movement be built up in Hungary with direct aid and missions from the USA. Advantage: the influence of the USA is secured and in spite of the Soviet occupation, it can be kept secret that the USA is helping. Foreign politics will not complicate the situation. You will have an active, trusted organization which will assist in establishing intelligence organization. Disadvantages: Special staffs will be necessary and it will take a long time to form them.

V. OVERALL PLAN OF BUILD-UP AND FUNCTIONS

- 1. Authority and direction from competent USA organs, to define and determine the tasks and functions in outline. Control should be in a US organization or a trusted person. The decisions should come from top level. At least from the US intelligence section leader in Europe or from the highest US military leader in Europe. Only with this type of support will results be assured and will the different sections function together.
- 2. A small staff of agents and informants should be made, combined with experienced US and Hungarian personnel. Duties: collecting information, supplying, directing and leading the underground movement. Word must come only from high and trusted places. Hungarians and emigrants have to be checked carefully if the plan is to succeed. Double agents must be kept out of the organization. Give the informants the feeling of peace and security with backing. Don't give them the feeling, "I buy", "I sell" or bind them with limited periods of work only as a part time job. Agents naturally will not abide by that solution. There should be created in the US Zone of Free Europe a similar resistance organization to support the military units. Sooner or later there will be tasks which can be accomplished by these people.
- 3. The staff agents and informants will be: standardization of security, codes, timing and coordination, assigning of tasks, personnel, time and place problems, etc.

SECRET

4. The illegal radio will do the following:
Broadcast the news and approach of the underground movement, with descriptions of important points. It will have to be well controlled to keep it secret and give the best results. Broadcasts must be kept to a minimum of once or twice a week on short wave. It will use the call words NEM (NFT) (Nemzeti Ellenallasi Mozgalom) National resistance movement and will give life and glory to the partisans and the intelligence gathering units. The news at first will be jammed and denied by Budapest and the presses will in turn spread propaganda to the contrary. The station can be located in Germany or Austria as long as it is close to the staff.
5. Foreign and Hungarian emigrants must be organized to insure the success of the movement. It is necessary to alert the homeland on a broad basis, so that the agents and runners will be working together for the same interests. (Inside and outside tip collecting, direct refugees, and use all other inner connections, etc.) Method: by foreign and Hungarian radio and press services.
6. The USA-Hungarian relations in security service requires standard centralization. Essential central defense should be openly installed. It is necessary in order to clean out the agencies and add to the effectiveness of the security. A network thus made would remain and there would be closer harmony among the units.
7. The US Hungarian relations in intelligence centralization: The Hungarians must assist in improving the quality of the work, produce couriers and informants, furnish concealment for activities, provide security and in general assist in organizing the unit. Other powers have already set up their own intelligence movement into Hungary. The mistakes made by the present German organization must not be repeated.
8. The US Hungarian relations in counter intelligence: The Hungarians must work in harmony and unity with all the intelligence agencies. Security questioning of refugees, and "tip collecting" should all be done by overt, presently established security units. With this relationship the substance of their work, accomplishments and arrangements will be done in secret and will be continual.
9. Breaking down the Hungarian-Bolshevik security agencies will be done by propaganda against the political police, border guards, Party members, and state officials, etc., and by radio propaganda and smuggled in pamphlets and gummed posters.
10. Establishing overt US, Hungarian organization or connections. It is necessary to conceal the aims of the covert staff. It will also serve as cover for the idle messengers, and the agents forced to flee. It will provide informants and perform other tasks that come to mind.
11. Qualified agents and messengers will be sent in to establish the net. Only after coordinating the security and information gathering agencies, and sifting out and training messengers, can the real information collecting

SECRET

start. In the occupied country the important task is to draw together and tighten the net. As long as the refugees are arriving and are being interrogated, the reporting (of agents) isn't important. What is important is that they will be able to report when necessary. Reports from persons sent in from the outside are not worth as much as the information supplied by a refugee who had fled a year before. At a later date, the agents can make a few true restricted reports with utmost caution. It would be a shame to bring about the fall of the newly organized net.

12. The work of the agents will be: gathering the necessary information, insuring the security and functions of the net, screening out the enemy, knitting the organization together and bringing it to perfection, solving problems and mistakes learned through experiences, and correcting all deficiencies.
13. The defector program will attempt to discover the play-actors in the Bolshevik system, the system's plans, functions and weak personnel. It will try to build the network from the standpoint of quality and specialists by using material and money to bribe or assist personnel to desert. The information they furnish and material they bring with them (codes, movement plans) is what the agencies strive for.
14. Organize the supporters of the movement outside the country. At a later safe date under confidential conditions announce to the resistance movement within the occupied country that they have supporters on the outside. This will strengthen the resistance movement and they will prepare themselves for whatever follows. Through this the work will be easier and have more freedom of movement. For the objective and aims, through friendship sake perhaps, two additional movements could possibly be started, one in Western Europe, one in Yugoslavia. The system could make a compromise with the interests of the Hungarian Titoists in mind.
15. Tying together the resistance units in the homeland: If propaganda gives the aim of the movement, friends and relations will form small and large resistance groups. The agents and messengers sent in will also aid this movement. These groups will be informed to protect, shelter and be at the disposal of the information net. When the support from the outside is announced, the inner movement will be accepted and move along easily. With this, information will start flowing out of the occupied country from the various established sources.
16. Firmly establishing the information gathering net. The contact and relations with the ethnic Hungarians minority in the surrounding countries remains alive and unchanged. This is done by the media of letters, visits, sports, culture, etc. They profess that they are of Hungarian origin. The movement will enlist this three million minority because of their location. With this border territorial coverage, sooner or later the network will ensnare soldiers of the Soviet occupation troops, thus enabling a possible penetration of the Soviet net.
17. As the united powers headquarters develops, it will eventually become necessary to decide on who will sponsor and control resistance movements. If the US already has such an organization, she will be the natural leader. A strong intelligence service will help to assure US control.

SECRET

18. The rest of the inner resistance movement. To become active when necessary. To work to bring about the fall of the Russian and Hungarian armed forces. To perform economic and military sabotage.
19. Materials. The furnishing of material and supplies will be determined by the organization's growth. To put the proposal in effect will not cost the UEA more than its present system of gathering information.
20. Considering the time element. The start is dependent on, the general political situation, the measure of support, the acquiring of personnel, and the possibilities of success. One year after formation, the reports should be on a very high level. It should be started soon because all the experienced personnel are emigrating to other countries.

SUMMARY

In all information gathering agencies, the plans have to be in complete harmony and the founders have to have great resolution and inspiring aims. Without that and the understanding of the details all the other plans formed and all proposals are just wishful thinking until planted with good intentions and endeavor. One thing is certain that in the initial stages and organization the UEA will need an experienced specialist workers system. Perhaps the time has already arrived to engage and to utilize meritoriously these personnel who have a common cause and concern.

APRIL 1951

SECRET

200-6-12-15