



d. The U. S. government is basically against the dispensation of loose promises and would not approve of anyone using such promises as means of inducement; however it views realistically the moral value of "their feeling of belonging and their desire to act within an acceptable framework".

e. The U. S. government is therefore ready to support one to two individuals who would devote their time in the KHEK to the proper handling of the few who are qualified to perform intelligence work, provided that

- (1) Each individual submits to our full and strict control and direction.
- (2) All individuals so employed recognize that information obtained with the support of this office is the exclusive property of the U. S. office which employs them; that the information obtained with the support of this office is an official secret which cannot be imparted to any other individuals or organizations without the express written approval of the U. S. officer directly in charge of the activities of those employed. For the sake of clarity it will be emphasized that information thus obtained will not become KHEK property or the property of any of its members and that individuals we employ are under no circumstances to accept any other intelligence tasks, even in behalf of other U. S. officials or organizations.
- (3) As the only Western Power which could render unlimited support to such activities serving eventually and indirectly the Hungarian cause, the employment is offered as a "take it or leave it" proposal and with the recognition of the fact that other Western Powers have already made their own arrangements through other individuals whom we do not wish to involve in our own work.

6. If we reach an agreement in principle with KADAS, we will then clarify his ties to Janos SZAKALLY, the HUNGARI-HUNGARISTA group, etc.

7. Approach: (Two or three meetings may be necessary.)

a. Question KADAS on KHEK situation at present and on its possible future in order to sound out his views in general.

b. Question what specific contribution he believes could be made by members of future KHEK toward U. S. goals under present conditions.

c. Once he is brought to point and KADAS recognizes that the U. S. is his best chance, put above proposal to him.

8. [ ] intends to proceed with step "a" for the time being, then take another look at the situation. Since KADAS is employed with a topographic unit of USPA, all steps will be coordinated through G-2 Operations. We are by no means enthused about the prospect of dealing with KADAS but believe it worth trying, with the hope that he might provide us with suitable agent material.

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SECURITY INFORMATION

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SAH Comment

As you know, we have been considering contact with subject for a good long time and our present plan is contacting him by [ ] prior to [ ] departure, which would enable us to make a final decision as to the desirability of future contact with subject. If subject did agree to serve as a U.S. source on the .HBK, it would be worth the small amount of case officer time required to maintain future contact. However, as stated above, we are somewhat pessimistic about his willingness to be "our man in the .HBK" and even more pessimistic about his ability to run a small number of patriotic/motivated Hungarian cases for us or the desirability of an attempt in this direction. We will take a look at him for assessment and advise you further.

Satt

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