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ZAKO

No. 171
Hungary

24 April 1953

Dear

In letter No. 146 of 9 April and earlier letters, I have commented on the interest of the French S.D.S.C.E. in General ZAKO, the Hungarian military leader, and his activities in Germany and Austria.

My S.D.S.C.E. contact lunched with me today. He had just returned from a visit to Austria and Germany on which he had invited me to accompany him. This trip was in connection with the "Zako affair" which is of such importance in French eyes. He gave me the following data thereon:

1. Zako now appears temporarily prosperous and states that he is working closely with and has the support of important American political personalities.
2. Zako took about 15,000 dollars plus some marks from Austria to Germany with him, smuggling them on his person through the German frontier control. The origin of this money is questionable. Did he get it from some public or private American sponsor or was it something that he had "abstracted" from his Austrian activities? The latter point I took to mean that the French have some question in their mind whether Zako purloined a certain amount of French funds furnished to him. The trip of the Colonel may have been in part to look into this possibility.
3. Zako's funds are in part in the custody of one APOSTRACY, a Hungarian emigre at Munich who works with him.
4. It is believed that Zako has recently purchased control of the Munich HUNGARIA. This newspaper was in financial difficulties and Zako was able to get control of it for 9,000 to 15,000 German marks. Zako has enough money to run it for some months. He wanted it apparently to create a following during this period of personal crisis for him in the emigration. The HUNGARIA under Zako is taking a "reasonable line" to gain followers.

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5. The old owners and editors of the HUNGARIA (control located in Paris) have established a new newspaper known as the "NEW HUNGARIA" which will carry on the line of the old newspaper.

The Colonel as usual emphasized the "official French view" that "it would be unfortunate if some American organization were to take up Zako and sponsor him after the French had been compelled to drop him." In this regard he stated that Zako is claiming "that he left the French services voluntarily because the French refused to allow him to have contact with NATO and SHAPE." The Colonel stated that the French did refuse to make contacts for him to discuss military matters with SHAPE personnel but that Zako refuses "to comprehend the difference between purely military and political activities."

Sincerely,

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