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22 JUN 1965

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Via: Air Pouch  
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DISPATCH NO. MSBA-3199

*Handwritten:* Hungary in Austria

TO: Chief, Foreign Division M

DATE: 26 June 1950

FROM : [ ]

SUBJECT: General: Operational

Specific: [ ] - Hungarian Emigré Group

Reference: C 1 -2849 and SALZ-C14

1. For the record here are a few details in addition to those contained in [ ] 2849 which Source supplied at our meeting on 19 June. Andreas ZAKO (born 1900) claims to have an organization of 12,000 members who, until recently, regularly paid dues amounting to about SwFr 5.00 per person per annum. ZAKO claims that one of the reasons that he finds himself in financial difficulties is the fact that many of these members who are now spread all over the world no longer pay their dues. The budget of ZAKO's organization was set at SwFr 60,000 a year. Part of these funds were used for the border-crossing activities described in reference. When asked what ZAKO had done up until now with the intelligence brought out by his couriers, Source replied it had been used in the Munich Hungarian paper Hungaria and in another newspaper published by ZAKO, the name of which Source did not know. ZAKO lives at Absam, near Sol-Bad Hall, Tyrol, Gasthaus Bogener. He receives mail under the following address: Rober SZINKOVSKY, Poste Restante, Sol-Bad Hall. Source did not know whether a person by that name actually existed or whether ZAKO merely had a post office box in that name.

2. Miklos KORPONAI, born 1913, has been ZAKO's aide since 1940. He lives at the same address as given for ZAKO, is married. The organization, which he and ZAKO founded in 1948, is said to be non-political (sic) and to have representatives in every non-Communist country - reaching as far as Australia!

Distribution:

- Washington
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- (3) DECLASSIFIED AND RELEASED BY
- (2) CENTRAL INTELLIGENCE AGENCY
- (2) SOURCE METHOD EXEMPTION 382B
- (1) NAZI WAR CRIMES DISCLOSURE ACT
- (1) DATE 2008
- (1)

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3. ZAKO told Source that some time during 1949 he had been in Switzerland where he met Colonel Robert FRICK, the former Chief of the Swiss MIS, who had asked him how many fighting cadres he could count on in case of war. ZAKO had replied, and confirmed this to Source as of the present time, that he had 120,000 men under his control in Austria and Southern Germany. In spite of repeated questions, it was not possible to elucidate on what basis such a claim could be made. Source, however, insisted that ZAKO had made such an excellent impression on him that he was sure any statements made by him must be based on fact.

4. Source had told us in May that ZAKO had just been in Paris and, as stated in BERN-2849, was going to Paris again around 25 to 26 June. We had previously raised the question as to the reason for these visits, and Source now explained that ZAKO was negotiating with the Spanish Government for the transfer to Spain of the wives and children of many of the Hungarian officers now living in Austria. These negotiations allegedly began in Bern some time ago and are now being continued in Paris with a representative of the Spanish Government there. Here again it was not possible to get the reasons for the Spanish Government's willingness to undertake such a considerable burden. When it was suggested that perhaps ZAKO was working for, or negotiating with, the French intelligence service, Source replied that ZAKO had admitted to having worked for the French but had been quite dissatisfied since some information which he had passed the French came back to him via an ostensible Communist agent who was under his (ZAKO's) control.

5. Source stated that ZAKO and KORPENAI would address mail to him at Franz ORBAN's address in Zürich, using the name "Alexander ORBAN".

6. ZAKO asked Source whether he knew Francis DEAK, the American Civil Air Attaché in Bern. Source replied that he had heard of him but did not know him personally. He added, for our benefit, that DEAK was extremely well-known among Hungarian émigrés and that he, Source, was convinced he was either still, or certainly had been, engaging in intelligence work.

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7. SALZ-014 left us with a rather uncomfortable feeling. Assuming that events took place exactly as described, it follows that either ZAKO did not correctly inform Source or that Source did not give us all the facts. There has never been a mention of Colonel NARDES, nor that BARCZA was approached for financial contributions, nor that the latter refused because of the Nazi leanings of the ZAKO group. As a matter of fact, we have repeatedly asked Source about the political views of ZAKO and he has insisted that ZAKO was completely apolitical and had for a time collaborated with the Germans only because of his intense hatred of the Communists.

8. There is another aspect which we do not like. According to SALZ-014, BARCZA considers ORBAN a scoundrel. This opinion has certainly not been relayed to us by Source. At our last meeting he did say that he wanted to cut ORBAN out of the picture if anything came of the project, and upon our question as to his reasons for this, he merely stated that he did not like journalists and did not think they were too secure. This had certainly not been his attitude before, and if indeed BARCZA caused this change of heart, we feel Source should have so advised us. If, on the other hand, Source himself is responsible for BARCZA's poor opinion of ORBAN, the former certainly should have let us in on this secret.

9. This will probably reach you after you will have already made a decision on this project. In any case, we do want to say that we are not happy about it and cannot help feeling that Source is not being entirely frank with us and is presenting the case in the most favorable light in order to convince us that it is worth a try. We are more and more inclined to believe that it is not.

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