

VIA: AIR  
(Priority Mail or Registered Mail)

DISPATCH NO. MAVA-6501  
(312/3292)

CLASSIFICATION

TO : Chief, Foreign Division V  
Attention: [ ]

DATE: 5 September 1950

FROM : Chief of Station, Vienna [ ]

SUBJECT: GENERAL-- Operational

SPECIFIC-- Potentialities of the ZAKO Group (KOPJAS and MHEK)

Reference: MAVA-6416

1. The activities of the ZAKO group have been closely followed during the past four years by [ ] primarily to discover whether ZAKO has assets which could be used to the benefit of this organization. The estimate below was prepared as briefing and background material for the approach to ZAKO discussed in MAVA-6416.

2. Following are the basic factors:

a. ZAKO's group was organized around a nucleus of leading members from SZALASI's G-2 staff and his KOPJAS group. The KOPJAS consisted of fanatic Arrow-Cross members who had volunteered for what corresponded to the SO activities of OSS.

b. ZAKO's group operated an extensive intelligence network in Hungary from 1946 to 1948. However, insecure operational methods enabled the Hungarian security agencies to wipe out the ZAKO group agents and couriers in 1948.

c. To the best of our knowledge, the group at this time has no established agents in Hungary and no established communication lines to its adherents left in the country.

d. The positive intelligence branch of the ZAKO group collected and still collects intelligence material through debriefing refugees and travelers arriving in Western Europe from the satellite countries.

e. All intelligence collected has been peddled not only to the various U. S. intelligence agencies but also to the French, British and Swiss intelligence services and to representatives of other satellite refugee groups. It is safe to assume that, in addition to the above, the material is transmitted to Spain and that at least a part of it is channelled to Austrian security agencies.

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FORM NO. 51-28A  
MAY 1950

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The intelligence material was and is sold through a number of "roti men," each of whom claims to have his own controlled network and each of whom claims that the material was collected by his agents in Hungary. Examination of these claims has brought to light the fact that each group is essentially under ZAKO's control, that none has intelligence agents in Hungary, and that material collected through the debriefing of refugees is falsely and wittingly submitted as reports from agents established in Hungary. The deception is carried to the point that couriers actually are dispatched to Hungary; the couriers, however, are not qualified agents but rather professional smugglers. They have no contacts to make in Hungary but are assigned to bring out new documents, spot information and border-crossing information. This material is used to substantiate the claim that the refugee reports are genuine agent reports.

3. In 1948-1949, ZAKO organized a number of former Hungarian soldiers, now living as emigres, around the nucleus of his intelligence group to form an association of comrades-in-arms known as "Magyar Harcosok Bariszi Kosossege." Members of this organization are spread all over the Eastern nations; estimates of membership strength range from 12,000 to 16,000. The members are mostly former career officers who are bound to each other by a certain esprit-de-corps and by a mutual desire to return to Hungary, there to take up again the activities dropped after World War II.

4. The founders of the MHBK established that organization with the following thoughts in mind:

a. A showdown with the USSR is inevitable, and the Western powers will need the cooperation of anti-Communist Hungarians in World War III.

b. An anti-Communist Hungarian organization could be used as a bargaining force to back up the MHBK leaders in their plan to control future political developments in Hungary--in other words, they plan eventually to return to Hungary as top-echelon officials and to establish a political regime according to their own blueprint. The leaders are convinced that the outlook they had during World War II has been fully justified by the development of postwar international relations, particularly with regard to the USSR.

5. There has been much talk of the MHBK as a military striking force. The directors of the MHBK apparently regard the members as soldiers who are available for immediate assignment. Actually, a majority of the members have resettled overseas and have filed their intent to become citizens of their new homelands; also, the great majority has passed the age of 35. According to an estimate by Uroschen 1 and Grindelia, the MHBK could scarcely muster more than 1500 men and, almost without exception, they would be former career officers who would be willing to fight in a Hungarian unit if they were assured of their officer status. Despite this rather unimpressive picture, the leadership has been able to play up the organization's potentialities and gain some recognition.

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6. ZAKO was at first reluctant to recognize the authority of the Hungarian National Council in Washington because its members did not support his political views. Together with Ferenc Kiebornaki FARKAS, he tried to form a "counter-council" in Europe. When he realized, however, that the Hungarian National Council in Washington enjoys the backing of the U. S. Government, he sought recognition and representation in the Council. Certain responsible leaders of the Council, e.g. Bela VAMBA and Ferenc NAGY, hesitated to recognize the ZAKO group on the grounds that the political past of the group might cast an unfavorable shadow over the Council's activities. On the other hand, such rightist members of the Council as Tibor ECKHARDT and BAKACH-BESSENTEI saw a chance to increase their influence within the Council and so aligned themselves with ZAKO. After Tibor ECKHARDT was charged by the Council with matters of defence, he applied in July 1950 for membership in the MNBK. He appointed himself representative of the MNBK on the Council, apparently using the group as an avenue to greater influence within the Council and as a factor in dealings with the U.S. Government.

7. The present outlook of the rightist element is best reflected in an article published in Hungaria on 25 August 1950. The following is a partial translation of the article; the original is attached. ECKHARDT's telegram to Hungaria: "Read with great interest the Hungaria article, 'Korea and the Hungarian Soldiers'. If the writer proposes the organization of a Hungarian Legion for Korea, I find the suggestion premature. Before erecting a Hungarian military unit it would be necessary to secure its independence. Otherwise such a Legion would come under permanent international control."

8. On the above subject, ZAKO wrote the following to the editor of Hungaria: "Only through the creation of certain preliminary political conditions could it be hoped that real and serious results, commensurate with the sacrifices, would derive from the military efforts of the emigres. These (preliminary conditions) are as follows:

Recognition as an ally by all Western powers of a unified and potent Hungarian political leadership able to direct all efforts of the emigres.

Agreement by Western powers to aid the new ally in the organization of an independent military force, fighting under its own national colors....

"...Naturally, if developments in the world situation--in Korea or at any other point--should offer opportunities by which we could attain serious political objectives with nothing more than the emigres' limited military efforts, there is no room for hesitation or rigid adherence to theoretical plans. In such an event, we should carry a share of the fight in keeping with the opportunities inherent in

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the situation. Any military cooperation must, however, be based on the primary condition that the Western powers break diplomatic relations with the Soviet government in Budapest, that they recognize a government-in-exile, and that they assure through state treaties that every drop of Hungarian blood shed on battlefields however distant will serve the liberation of our country."

Wishes to point out that in his statement to Hungary ZAKO specifically avoids mentioning the Hungarian National Council but speaks instead of "a unified and potent leadership." In our interpretation, this means that he is unwilling to accept the Council in its present structure and—far from being apolitical as he claims to be—that he has indeed great political ambitions.

9. With regard to ECKHARDT's efforts to gain the support of the MHRM, it is hard to believe he is unaware that the military assets of the MHRM are extremely limited; it is more likely that he seeks MHRM backing to increase his influence within the Council and to give him greater potential popular support. As it is, he could hardly hope to gain popular support in Hungary equal to that which the Council's more liberal elements could arouse.

10. It is important that the true status of the ZAKO-MHRM complex be known at all times because the patently effective salesmanship of the group causes the question of support to be raised from many different quarters and levels. It must be recognized that the basic motivation is political and that no "come-on" plans can be accepted without most careful scrutiny. If ZAKO had applied the same skill and effort to building up an intelligence net or resistance movement within Hungary that he has to achieving and maintaining his position in the emigre scene, he would have been immensely successful. Our conclusion is that the group approach is not feasible in this case. The only potentially successful method of obtaining intelligence coverage within Hungary is through selected individuals. As previously stated, we have failed thus far to discover assets at the disposal of ZAKO or ECKHARDT which would prove that they have something to offer in exchange for any support we might extend. The exception is, of course, the approximately 1500 men ZAKO could muster from Austria and Germany after a base of operations had been provided. ZAKO's group could prove to be efficient in direct military action and, eventually, in acts of sabotage directed against the satellite nations. Considered as a political unit—which it definitely is—the group is absolutely worthless. Taken as a group, the emigres have been shown to be so woefully lacking in matters of security precautions and political wisdom that, seen against the background of a much-compromised part, they are wholly unfit for use as a basis for a Hungarian resistance group or an intelligence network. So far we have been unable to find a member of the group who would merit our attention or efforts to win his loyalty. We recommended a direct approach to ZAKO only because we did not want to feel that we might have overlooked some potentiality worthy of support.

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11. Another factor must also be considered in plans for operational recruitment of former soldiers from the satellite countries. Generally speaking, the current atmosphere among such refugees is somewhat perturbed because of the interpretation given the new DP law by the Immigration and Naturalization Service. The law, passed this year by Congress, provides that only those former enemy soldiers who actually bore arms against U.S. troops in World War II are not eligible for U.S. immigration. In spite of the fact that there were few Hungarian troops, with the exception of the Hunyadi SS Division, fighting U.S. forces, the immigration of ex-military personnel to the U.S. has been at a complete standstill since December 1949. More than one thousand families, most of them without income, have been waiting for months for clearance from the Immigration and Naturalization Service, even though they have been processed by the DP Committee and have received their U.S. visas. This situation is interpreted by the general run of Hungarian refugees to be the result of petty vengeance on the part of some biased key INS official. We have tried to explain the situation on the grounds that the INS probably does not yet have sufficient data at its disposal to determine which units were fighting against the U.S., and that certain criteria and data would have to be established before the immigration process could be completed.

12. [ ] has prepared a chart of the ZAKO-KOPJAS-MHBE organization which will be forwarded separately.

2-Wash.  
2-Vien.  
2-Salz files

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