

KCH:DMM

SAC, New York

March 17, 1944

J. Edgar Hoover - Director, Federal Bureau of Investigation

OTTO VON HAPSBURG;  
KRONIKA; SECURITY MATTER.

For your information there are attached hereto photostatic copies of a memorandum received under date of February 18, 1944, from the Foreign Nationalities Branch of the Office of Strategic Services concerned with a new Hungarian language monthly publication named "Kronika." You will note that it is alleged that publication is being launched as an organ for propagandizing the political movement of Archduke Otto von Hapsburg amongst the Hungarians.

No active investigation concerning this matter is being requested of your office but it is desired that you remain alert for any data of an intelligence nature concerning it which may be of interest to the Bureau.

Attachments

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FOREIGN NATIONALITY GROUPS IN THE UNITED STATES  
MEMORANDUM TO THE DIRECTOR OF STRATEGIC SERVICES  
FROM THE FOREIGN NATIONALITIES BRANCH

Number B-159

18 February 1944

A NEW HABSBERG PUBLICATION

The appearance of a Hungarian-language journal devoted to the Habsburg cause is taken to mean that Archduke Otto is beginning to look for support to Hungarians more than to Austrians. The present venture is the latest in a series of Habsburg journalistic projects in the United States.

*W. J. W. [unclear] [unclear]*  
*Kaplan*  
*FITZPATRICK*

IN NEW YORK last month a new organ for Archduke Otto, the Habsburg pretender, was launched in the form of a Hungarian-language monthly named Kronika. Its appearance is believed to signal a definite shifting, at least for the time being, of Otto's hopes for the future from Austria to Hungary.

The considerable support which Otto, in the absence of any other exile of comparable personal weight, has had in the past from Austrian refugees was motivated in part by traditional allegiance, but more cogently by a conviction that a Habsburg solution would be best for Austria. In the minds of nearly all, Austria came first. Evidence has been accumulating for some time that Otto has not by the conduct of his political affairs requited the confidence which his Austrian followers placed in him. The failure of the Austrian battalion in the United States Army and the "military commission" set up by Otto in that connection was a definite blow to his prestige.

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*del [unclear] 44*  
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*KEH*

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*W. J. W.*

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ENCLOSURE

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In the face of this development Otto (who appears to be incapable of patient waiting and must engage always in positive action of some kind) turned his thoughts to Hungary, it seems fair to surmise. The Hungarians have never felt as keen a loyalty to the Habsburgs as have the Austrians. Most Hungarian leaders of the right wing, it is thought, prefer the form of monarchy and therewith a regent of their own choice, after the pattern of the existing Horthy Government. However, Otto has had material support from Hungarian sources in the past. A group of Hungarian magnates supplied him with money when he was in Belgium during the 'thirties, and it is possible that money has also been reaching Otto from Hungarian sources since he has been here.

The Hungarian community in the United States, numbering a little more than half a million, is made up chiefly of industrial laborers. The number of individuals who have achieved wealth and influence is small. The belief is current, however, among some of Otto's former Austrian supporters that he has nevertheless succeeded in winning some financial help from Hungarian-Americans for the purpose of publishing *Kronika* and that he is contributing also from other funds which are at his disposal personally.

*Kronika*

The new periodical, *Kronika*, is a 12-page tabloid-size journal published at 307 Fifth Avenue, New York. It is edited by Sandor Tarcz, formerly associated with the *Amerikai Magyar Nepszava*, the leading Hungarian nationalist and revisionist organ in the United States.

Making its legitimist character altogether clear, a full-page portrait of the Archduke Otto begins this first issue, dated 15 January. The

remainder of the issue is devoted less to current political news than to nostalgic reminiscences of the Habsburgs. There are, for example, two articles on the Archduke Otto's father, Emperor Charles. American monuments in Budapest form the subject of another item. Reproduced in full is a speech made by Otto toward the end of last year at Toledo, emphasizing disagreement with the official Hungarian policy which led Hungary into the present difficult position but exonerating the Hungarian people. An article on the launching of a Liberty ship named after the Hungarian patriot Louis Kossuth is reprinted, without credit, from the *Amerikai Magyar Nepszava*.

The "business man" of the publication is understood to be Etienne de Hedry, a former Hungarian diplomat and Otto's Hungarian "aide-de-camp." De Hedry, who is married to a wealthy American woman, developed a close friendship with the Habsburg family while serving as Hungarian Minister to Belgium.

*Other Ventures  
into Journalism*

Archduke Otto has previously launched several ventures in English-language journalism. During 1941-43 a monthly magazine entitled *Voice of Austria* was edited for Otto by Franz Klein, a very able and perhaps, not too dependable Austrian journalist, who worked for many years with Swiss newspapers. Klein has been in the United States and Canada since 1941, and is now editing *Liberation*, which is financed by the formerly Austrian inventor and engineer, Antoine Gazda.

Following the discontinuance of the *Voice of Austria* and the transfer of Franz Klein into the pay of Mr. Gazda, the Archduke Otto appeared to

have started a project for another English-language paper which would support the Habsburg cause without too manifest a commitment. It was about a year ago that Otto set up an Austrian news service with Dr. Theodore Schmidt as Washington representative and L. C. Collins of New York City as business manager. Schmidt, a man of unsavory reputation who has been indicted for failure to register as a pre-Pearl Harbor Japanese agent, was introduced to the Archduke by Walter von Schuschnigg, a cousin of the former Austrian Chancellor and one of Otto's most indomitable followers. The news service was discontinued for reasons unknown.

Several months ago the idea of an English-language Habsburg publication was revived. Otto discussed the project with Egon Ranshofen-Wertheimer, professor of international affairs at American University in Washington, who styles himself "Permanent Delegate" of the now dormant Austrian National Committee which was deserted by the non-monarchists more than a year ago. It was decided at first that one of the Archduke's younger brothers should sit on the editorial committee. An Austrian Jewish refugee engaged in the import-export business, Fred Charles Glatzer, was chosen as a "front," because he had been a publisher of trade journals and was considered a man with newspaper experience. The research editor was to be Dr. Leopold Kohr of the Carnegie Endowment Fund.

Glatzer paid a visit to the Department of Justice in December to explain that he was planning to issue a non-political Austrian bulletin, devoted for the most part to general news items of underground Austria.

He inquired about registration under the Foreign Agents Registration Act. At first he was reticent about acting on behalf of the Austrian monarchists, intimating that the publication was his own idea. The funds were to come from a Mr. Swift, described as a lumber man in Alexandria, Virginia.

Later more details were revealed; it came out that Walter von Schuschnigg and Theodore Schmidt were the originators of the proposal. After its Habsburg background was disclosed, Glatzer, who expresses the intention of becoming an American citizen, grew anxious to disassociate himself from the project, which has now apparently been shelved.

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