

UNCLASSIFIED

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

[]
2310 K

NO.

DATE

25 Oct 57

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. RI/PI - 1400L

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Please include in
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MICROFILMED

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2008

SUBJECT: Col. Otto MATZ

1. Examination of German documents captured during World War II has produced a series of documents dealing with subject, an Hungarian Colonel, who worked for the Abwehr and defected to the Soviets in November 1944. The documents were originally held in England by the Department of State and the British authorities and have since been microfilmed and returned to the Bonn Government. They are currently held in Washington by the Department of State where they may be viewed by referring to Serial 94, frames 106925 through 106931 and Serial 1763 frames 405262 through 405279. Prints of these frames are attached.

2. Since the available documents range from December 1943 to November 1944 and since it appears that many documents were not kept in this particular file, a comprehensive chronological account of subject's activities cannot be supplied. However, based on the materials found in Serial 94 (a "cable dispatch" from the German Embassy in Sofia dated 22 December 1942) it appears that subject was sent as a representative of the Hungarian Government, of that day to discuss with two Americans the possibility of Hungary's defection from the Axis and its active participation in the fight against Germany. Unbeknown to the Hungarians (and to the Americans), subject had informed the Germans of these discussions and repeatedly requested that his actions on the German behalf not be disclosed to anyone, including Hungarian officials even if the Hungarians chose officially to advise the Germans of the approach by the Americans. Subject left Sofia for Istanbul on 16 December 1943 and returned on 22 December 1943. In the evening of that same day he left Sofia for Budapest, having apparently first advised the author of the "cable dispatch," Frau BECKERLE, of the results of his talk with the Americans. In Budapest he was to render his report to the Hungarian Chief of Staff, Frau SOMBA THAY.

3. The following is a summary of the information subject furnished to BECKERLE regarding his discussion with the Americans:

a. Subject met two Americans in Istanbul on 18 December 1943 and proceeded with them to a private residence, the location of which subject could not recall as they changed cars several times. The Americans were 45 to 50 years old and, in subject's opinion, were "special representatives of the American Headquarters,

in particular, of the American Intelligence Service". Subject further felt that they were specialists in European matters and that - according to their own statements - they were in charge of American groups or "Special Representatives in Stockholm, Bern, and Madrid".

b. The Americans felt that a rapid decision to leave the Axis was a requirement Hungary could not overlook if it desired to have even a moderate influence on post-war decisions concerning borders, etc. The Americans felt that the time for the decision was most opportune, i.e., more opportune than during their previous discussion with subject in Istanbul. (This indicates that subject had had at least one previous meeting with them, although documents concerning the meeting have not been located). Subject replied that he had advised his superior, from CREMIUM, of the desires expressed by the Americans previously, and that he (subject) had been instructed to inform the Americans that Hungary would always support Germany in its fight against communism, as Hungary recognizes that communism is an acute danger for Europe. The Americans were visibly disappointed and felt that there was no need for further discussion. However, subject gave them the opportunity to try and use additional arguments which resulted in airing the questions of TITO and his recognition by the Americans as well as the American position concerning Austria. At the conclusion of the talk subject indicated that he might be seceded and asked the Americans what they could offer Hungary in return for its defection. Would the Americans be prepared to guarantee "Hungary's 1,000 year old border, even against the communists?" The Americans replied that no nation should toy with empty illusions and that at the end of the war every nation would be able to demand as much as it had earned. At this point subject assumed the "line which had been given to him in Budapest" and reiterated Hungary's original position that it "will be impossible for Hungary ever to bear arms against Germany". The Americans broke up the conference by stating that "in such case American bombers would come over Hungary". Subject left the door open for further negotiations by stating that he would transmit the American viewpoint to his superiors in Budapest.

4. In the conclusion of his report, BECKERLE stated that the "Hungarian agent (from) GYRGY" who had arranged for the negotiations with the Americans, had advised subject that the British were unusually excited about the fact that he (it is not clear whether GYRGY or subject was meant here) had negotiated with the Americans. According to the report "jealousy between the British and the Americans (is) very intense". The report also stated that the Hungarian Consul General in Istanbul, from UJVARY protested strongly to subject that the Hungarian agent GYRGY had been sending telegrams to subject

from Istanbul and that (as a result) GYORGY was considered by him (UJVARY) and by the British as being a German agent. Subject, who, the report says managed to allay UJVARY's fears, felt that UJVARY was connected with the British.

5. Following subject's negotiations with the Americans in December 1943, there seems to be a gap in the materials as the next document (Serial 1763) was dated 22 March 1944 and very generally recounted subject's negotiations with the Americans. According to the document which was a cable sent from Sofia by BECKERLE, subject had related that the Chief of the Hungarian General Staff discussed the negotiations with Admiral CANARIS and had decided that the Germans did not wish them to be continued. The cable also contained the following additional information concerning subject:

a. About the time of the cable, subject had given up his residence in Sofia.

b. He continually complained about his intelligence activity in Turkey, because he was entirely dependent upon himself there; he could get no support in Turkey from the Abwehr which had been rendered ineffective by VERMEHREN's defection; and he had no interest in turning to Hungarian Jews in Turkey who were active in intelligence.

c. Subject felt that the only remaining possibility was to maintain contact with the Naval Attache Frau MARWITZ.

The final sentence in BECKERLE's cable indicated that he had been requested to conduct an investigation of subject. This conclusion is drawn from the statement that the above was all the information he could gather at the time and that he would transmit additional information as soon as possible.

6. On 19 April 1944 BECKERLE sent another cable from Sofia to Berlin in which he stated the following:

"He (subject) visited the embassy in order to request a transit visa for Vienna. He (subject) advised that one of his collaborators was approached by the Americans with the request to carry a w/t set to a particular person in Vienna. The collaborator agreed to this, on his (subject's) orders. He (subject) now desires to discuss this matter with the Abwehr office in Vienna and plans to fly to Vienna for that purpose. He expects much from this operation, because, if ably handled, American connections with Austrian resistance circles could be uncovered. He would like to request that his collaborator be issued a w/t set in Vienna, that the code be copied, and that the traffic be monitored so that all involved parties could be apprehended

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after everyone concerned had been clearly identified. He desires to contact the chief of the Abwehr in Sofia in order that his arrival in Vienna may be appropriately announced."

The second paragraph of the cable dealt with subject's impressions concerning Turkey which he felt would remain neutral, at least during that period of the war, as the bombings and the resulting destruction of Balkan cities had exerted an effect upon the Turks. The final paragraph of the cable stated the following:

"As far as he (subject) is concerned, he had completely refrained from active participation in intelligence because as is known, he had been so instructed by his government, and because during his discussion with Admiral CANARIS he had gained the impression that CANARIS was opposed to it. Unfortunately recent developments had caused the German Intelligence Service to breakdown completely, which is especially regrettable in view of the interesting situations in Turkey. The British and Americans there work separately but along completely parallel directions; at times they work even, against each other. Only when opposing the Russians, who, incidentally conducted themselves very ably when so involved, they (the Americans and the British) follow an identical, almost subservient, line of cautious action."

BECKERLE concluded his cable by saying that subject would depart for Vienna on the following day by regularly scheduled aircraft.

7. On 24 April 1944 Frau ALTENBURG of the office of the German Foreign Minister sent an informal note to Frau WAGNER, a high official of the Foreign Ministry in which it was stated that BECKERLE's cable (see paragraph 6 above) had aroused deep mistrust in the German Foreign Minister who felt that the matter related in the cable gives "the impression of something being rotten". In view of this the Foreign Minister requested that the SD be contacted so that it may be determined by intense surveillance "whether (subject) might not be utilized in some way". The Foreign Minister also requested that he be informed by the SD regarding the conduct of the case.

8. In response to this request by the German Foreign Minister an appropriate communication was sent to the Chief of the Security Police and the SD, SS-Oberfuehrer Frau SCHELLENBERG on 27 April 1944. The note stated that copies of BECKERLE's cables dated 22 March and 19 April 1944 were attached. No reply from the SD had been received by 2 June 1944 and hence a tickler note was sent to the SD on that date. On 8 or 9 June (the date is obscure) 1944 a reply was received from the SD and was shown to the Foreign Minister. The following is a translation of the reply:

"Subject: Colonel HATZ, formerly in Sofia and Ankara, now in Budapest

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"When Colonel HATZ was the Hungarian Military Attache in Sofia, he assumed contact with Anglo-American circles for intelligence purposes. This was sanctioned by the Chief of the Abwehr Office in Sofia, Col. Dr. von DELIUS. He (HATZ) was prepared to place his contacts at the disposal of German offices. With the recall of Lt. Col. ADAY, Col. HATZ also conducted the business of the Military Attache in Ankara. With this assignment his contacts (with Anglo-American circles) were intensified. The results of his contacts were always reported to the Chief of the Abwehr Office in Sofia.

"The telegrams transmitted by the German Envoy in Sofia to the Foreign Minister, represent proper excerpts of detailed reports submitted by HATZ to the Abwehr chief in Sofia.

"HATZ is judged by this office to be politically reliable. He especially confirmed this (judgement) following the period 19 March 1944 when, contrary to numerous other members of Hungarian missions in neutral countries, HATZ remained loyal to the government of SZTOJA.

"Approval for the request of the Foreign Minister, to use HATZ for German purposes had consequently already been prepared by this office. His utilisation in this respect would appear to be most promising.

"In the beginning of May, however, HATZ was arrested by the Commander of the Security Police in Hungary, because (the remainder of the sentence is illegible but generally seemed to deal with a widespread plot against the Hungarian Government of that day). The investigation, however, completely exonerated HATZ and his release followed. As a result of the arrest the view existed in the Hungarian Honved Ministry that HATZ had been compromised and could not assume the post of Military Attache. In order to rehabilitate HATZ, not only internally, but to the outside world as well - and by this action a definite slap against Germany can be detected - it has been planned to name HATZ Adjutant to the Honved Minister, Col. Gen. (fm) CSATAY or Adjutant to the Deputy Honved Minister Col. Gen. (fm) RUSZKICSAY-RUDIGER.

"With the assignment of HATZ to a position which ties him to the interior of Hungary, the opportunity to utilize him in an intelligence operation against the enemy powers is precluded from a practical point of view."

9. A succeeding document in the series is completely illegible. However, on 29 June 1944, from WAGNER an official of the German Foreign Ministry replied to the above findings of the SD in a comparatively informal note which was addressed: "Dear Kamerad SCHELLENBERG". The following is a translation of the reply:

"In your communication dated 9 June 1944, you transmitted your position regarding the case of Col. HATZ. Your position has been brought to the attention of the Foreign Minister.

"In accordance with my instructions I am advising you that your favorable decision concerning Col. HATZ is in no way shared by the Foreign Minister, particularly since it was HATZ who, on orders of KALLAY and SOMBATHELY negotiated with the enemy in Ankara, and then tried to clear himself by cunningly adroit intimations which he made to the Abwehr chief in Sofia as well as to us. The Foreign Minister is consequently of the opinion that the greatest distrust and the greatest caution (when dealing) with HATZ is warranted, and that under no condition is he to receive support from us. The Foreign Minister considers it especially undesirable that HATZ now be given the position of Adjutant to the Honved Minister. That HATZ remained loyal to SZTOJAY, was obviously done for the purpose of having an alibi when the need arose. I might supplement the above by noting that Envoy (fmu) VEESSENMAIER's views in this case were also solicited. He does not trust HATZ in any manner despite his (HATZ's) release (from confinement), particularly since, after his release, HATZ attempted to secure exit to Ankara by fraudulent means. All in all, HATZ is obviously a crafty swindler against whom all caution is called for."

10. In a cable from Budapest dated 17 November 1944, fmu VEESSENMAIER reported that subject had defected to the Soviets. According to the cable, subject's last position was "Chief of Staff of the 6th Hungarian (Army) Corps," (a subsequent document claimed that he held that same position with the 7th Hungarian (Army) Corps). VEESSENMAIER further stated that he had sent repeated warnings concerning subject and that he had refused to receive him during the past months despite repeated requests from him for an appointment. VEESSENMAIER could, however, not help it that subject "received support here and there, and that a different type of evaluation concerning him existed in (the files of) the Abwehr and the Office of the Chief of the SS". The cable also related that during 15 and 16 October 1944, the days of the political change when subject was Adjutant to the former Minister of War, CSATAY, his behaviour was unusually cowardly. According to VEESSENMAIER, fmu WINKELMANN (not further identified) believed that subject's desertion was due to the basic cowardice and because he had lost all belief in a final German victory. The desertion was said to have had a very "uncomfortable" reaction among troops at the front.

11. According to a memorandum to fmu WERKMEISTER of the Office of the Undersecretary of State for Political Matters dated 15 November 1944, prepared by the office of the Foreign Minister, signed by fmu LOESCH, Radio Moscow was said to have reported that subject had fled to the Soviets by aircraft and it had made public an appeal (by subject) to fight Germany. In the memorandum LOESCH advised that the Foreign

Minister desired to present an evaluation of the case to HITLER and for that reason he requested that all materials concerning the case be compiled. It was particularly stressed by the Foreign Minister that no information be gathered outside the Foreign Ministry. As an aid to the identification of subject it was stated that "he had been in various missions in Ankara and Sofia as well as Military Attache in Athens." A very brief summary of events as they are described in the above paragraphs is included among the attached documents, probably prepared for HITLER's briefing.

12. All persons named in the attachment have been recorded above. No Agency tracing of persons in the attachment has been conducted. However, SR/CE has advised that subject is of interest to that branch as he is involved in the CROWN case. It is requested that coordination be effected with this Staff if this information is to be transmitted to the field or passed to another intelligence service.

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