

Army

JP

DETACHMENT 35

SUBJECT: Operation DARRY

XOR-1118

Ref: None

Project: Darby

Date: 20 April 1951

MICROFILMED

JAN 5 1965

DOC. MICRO. SER.

OPERATIONAL REPORT:

1. This report is based on an interview with KORPONAY Miklos, which was conducted with several aims in mind. Primarily, to determine the reasons behind the alleged split between Gen ZAKO Andras and K., present organization and role of the WHRK in Austria, the general Hungarian Emigre picture, status of Hungarian resistance efforts and organizations, and finally, and most paramount, to explore the possibilities of utilizing K. to build and operate a new chain type project into Hungary. This latter point was based on the assumption that within C2, UCPA, there exists a need for such an operation as no organized, controlled, reliable penetration exists at present.

2. On 22 March 1951, Bago TRUX, an indigenous employee of 430th CIC, Salzburg, known to 35713 personally, reported to 35713 that KORPONAY, former Chief of Staff to General ZAKO Andras in the WHRK, had broken with ZAKO and left the staff of the organization. Alleged reason was that ZAKO had used the organization in political intrigues, while K. favored the pure militaristic line, following a neutral path. 35713 discussed this information with

and, it was decided to attempt to talk with K. At this point, discussed the foregoing, with its ramifications and possibilities, with Lt. Col. John Tobson and received verbal clearance to arrange the talk. 35713 subsequently instructed TRUX to invite K. to Mattsee for a weekend inasmuch as T. and K. are acquaintances of long standing and such an invitation would invite no suspicion.

3. During the week beginning 25 March 1951, it was learned that K. had gone to Munich for a kidney operation and would not be available for interview for some time. TRUX was instructed to arrange the Mattsee trip as soon as K. was able to travel.

4. On 16 April 1951, T. notified 35713 that K. had arrived in Salzburg. T. was instructed to follow the previously arranged plan and take K. to Mattsee and lodge him in the Gasthaus Iselhauser and that 35713 would contact him the following morning. At no time was T. told what 35713's interest was in K. or what the topics of

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discussion would be. T. does know that 35713 is assigned to the 430th CIC Det.

5. At 0930, 17 April 1951, K. was contacted at the TRUX home in Mattsee by 35713, 3512A and . After appropriate security checks, the group then repaired to K's room at the Gasthaus, where all discussions herein related took place. During the course of the interview, spot security checks were made of adjacent hallways and rooms.

6. As an opening question, K. was asked to outline in general terms the entire Hungarian Emigre question. While his knowledge and observations were interesting, they are not included herein as they have no bearing on this particular subject, except to highlight the following points:

a. The Hungarian exile groups are not unified and do not function in common interests, but rather in a limited self-centered manner. There are splinter groups within splinter groups resulting in incoherent, disjointed efforts to achieve a free, democratic Hungary.

b. There is no active resistance movement within Hungary, but a strong inactive, unorganized group which could be sparked into life and organized if presented with a continuous flow of single pattern propaganda and instructions stemming from a common source outside Hungary.

c. The various Hungarian exile groups and sub-groups exert no appreciable influence on the populace of the homeland. Machinations of the various leaders in exile merely represent attempts to entice other exiles from opposing exile camps, so that the effects of these peripheral maneuvers are not felt or even known within Hungary.

7. K. will be asked to prepare a study on his knowledge, observations and conclusions on the entire Hungarian Emigre question at a later date. This study should be interesting from a historical standpoint and will serve to clarify certain questions on policy and personnel. However, certain specific points concerning the WBEK, it is felt, should be presented here. Serving ZAKO as Deputy is NADAS Lajos. The rest of the staff is broken down into six sections; Administration & Supply, Personnel, Overt Propaganda,

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Covert Propaganda, Counter Intelligence and Positive Intelligence. K stated that the intelligence operations are extremely controlled and information is sold in numerous directions; U.S., British, French, Vatican and Spain. He further states no one on the Staff has any idea how the information is split up for the various customers or how much money is received from each quarter. The contacts with the various customers are carried out on an individual basis and allegedly are not controlled at the MHRK staff level. There is a remote connection existing between the Hungarian National Committee in Washington and the MHRK; however, the connection is extremely inactive. (35713 comment: The MHRK connection to the US is probably through KOLLENYI Gyorgye, TIR operative in Salzburg.)

8. In view of K's hesitancy to answer questions dealing specifically with MHRK intelligence operations, he was asked if in dealing with (3 Americans) he was acting as a representative of the group. He stated that his split was with ZAKO and that he was representing himself as a person, ex-staff officer of the Hungarian Army and not as the representative of any group. He then went on to explain the background of his break with ZAKO and why he, with mutual consent, left the staff of the MHRK. The MHRK has always been faced with the problem of survival. ZAKO, as Chief of the organization, has always advocated complete cooperation with the French as a *modus vivendi*, while K. and other unnamed high ranking members of the leadership have advocated a policy of neutrality, a waiting role pending the emergence of the leader between the U.S., British and French in sponsoring and aiding Middle European resistance organizations. ZAKO, mainly at the insistence of other members of the staff, had made a few abortive attempts at gaining U.S. cooperation but had failed completely. During recent months, K. gradually became aware that ZAKO had sold out the MHRK completely to the French and that the organization was entirely under French control. His quarrels with ZAKO over this turn of events became more bitter and ZAKO undoubtedly made K's feelings known to the French as K soon found himself unable to procure simple documentation. While ZAKO apparently wished to retain K. on the staff, this was impossible as K. was apparently unacceptable to the French and his continued presence would only serve as a deterrent to MHRK-French complete rapport. ZAKO wished to remove K. with as little embarrassment to K. as possible and at the same time to avoid undue publicity about the split in the ranks. It was decided, in view of K's rapidly failing health, to have him resign for that reason. The plan was carried through and K. departed the French Zone for Munich for the above described operation.

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9. K. was asked what his future plans were. It developed that while in Munich he had talked with a Mr. SPERLING of Radio Free Europe who had expressed interest in him and stated that he would let him know concerning employment in two or three weeks.

10. The general subject of the possibility of building a courier line with resident sources into Hungary was broached to K. At this point he offered the following described plan. The plan is dealt with in only general terms. K. has been instructed to draw up his plan in detail and submit it at the next meeting scheduled for 24 April 1951. K's plan is built on the following basic tenets:

a. Resistance and intelligence gathering efforts are inseparable. To achieve the latter you must first build the former in the target area.

b. As a corollary point, no mass intelligence effort can be built by the contact coming from the outside in. The impetus for organized resistance must be given from the outside, then the contact from inside must naturally follow.

c. Anti-Communist propaganda beamed into Hungary is too diversified and too intangible for the common people. It has no follow-through, and is a voice without a body, which confuses rather than unites.

d. The normal pattern of past intelligence operations must be reversed. The operational headquarters should represent the apex of the triangle with the heavy base resting in the target area.

e. Information is not a commodity which can be purchased on a retail basis. True penetration of a Soviet-orbit nation must be achieved by first banding together ideologically oriented anti-Communist elements into a strong homogenous body.

11. Based on these points, K. proposes the following: That a staff consisting of himself and four other completely trustworthy individuals who are now available to him and will be named later, be formed to be based in the US Zone of Austria or Germany. This staff to be broken down to perform the following functions:

Preparation
Propaganda -
Dissemination

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Intelligence

Partisan Activities

Administration & Supply

Initially, hand bills, newspapers and other printed matter to be distributed in Hungary announcing the formation of a unified resistance movement (to be named later). This message to be delivered in such a manner that it will convince the people that here, finally, is the culmination of previous propaganda efforts and is the group which they can join to give expression to their convictions. It will also announce the first of a regular series of broadcasts, which will be the official voice of the movement. The plan then phases into the radio operation, which is continued on a regular basis after the afore-described contact from within materializes. As the movement and organization grows, regular courier lines are established. The intelligence gathering efforts are then commenced and careful plans laid for partisan activity at an opportune future date. The initial formative stage has now been passed, and the organization can be shifted or redirected to produce various desired results, such as the following:

- a. Escape and evasion routes for Allied personnel should such become necessary.
- b. Sabotage and other partisan type activities, if needed.
- c. Collecting and submitting of organized, controlled intelligence in Hungary.
- d. Conduct psychological and/or propaganda warfare.
- e. Radio chain for communications to couriers, residents and members within Hungary. Likewise, emergency signals can be passed out of Hungary.

Two byproducts will also follow naturally after culmination of the plan; 1) there will be a unified, single channel, purposeful flow of anti-Communist propaganda, resulting in singly unified resistance within the country and 2) as the movement grows, other Hungarian Emigré groups and sub-groups will be forced to fall in line with the movement, thereby bringing all under U.S. influence or control

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12. K. was then instructed to draw up this plan in detail and submit same at the next meeting scheduled for 24 April 1951, which is to be held in Hotel Hirsche, Salzburg, where a room was obtained for this purpose. At this time K. stated that he will not register there under his right name but will use the name BRUECKEL Johann. He then displayed an Austrian ID card issued to BRUECKEL Johann. An inspection of this ID card, #80200, by 35124 disclosed that it was issued by 430th CIC Det., USFA, Sub-Detachment "A", probably in 1947 or 1948 (see paragraph 12 c.). He was warned on the security aspect quite strongly and stated that he had never discussed this plan with anyone else and did not intend to do so. His cover story to T. was going to be that only his break with Gen. ZAKO and the WRRK had been discussed. (K. will be asked to prepare a study on the WRRK, principally its intelligence operations, and this will be submitted at a later date.) K. was then given 700 Schilling to carry him over to the next meeting and was promised a subsidization of 2,000 Schilling per month for the next two months, pending acceptance of all or part of his proposals. K. then asked what he should do if the Radio Free Europe offer came through in the meantime. It was suggested by him that possibly taking the position would offer excellent cover for his activities if and when the above plan is approved. (35713, 35124 and 35782 concur in this, and recommend 35782 attempt to work something out with KPPPLING if it is decided to proceed further with F.)

13. Attention is invited to the following points which may reflect on K. adversely. They are offered merely as points meriting consideration and are submitted without comment by (3 Americans) in an attempt to view all aspects of the contact with F. quite objectively:

a. The alleged break between K. and ZAKO is a pure fabrication aimed at gaining, quite indirectly, strong US support for the WRRK.

b. K. is acting as front man either for KOLLEKVI (who is dropping him effective 1 June 1951) or for (Gen.) Wale ALENGJEL of Graz, a prominent figure in Graz Hungarian fabrication mill and contact for the Hungarian Committee in New York.

c. K. was in contact with CIC in Salzburg and Linz in 1947 and 1948. (He named Mr. John Burkel and Mr. Fox (Geo. W. INFCON) as his contacts. Information is being developed on these former contacts.)

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35124, 35713 &

Evaluation of K.

14. K. impressed all concerned very favorably. He is extremely intelligent, polished and has the faculty of driving directly to the core of a problem without branching off onto tangents. He expresses himself quite clearly and precisely and makes all points carefully. Psychologically, he seems to be an idealist. Whether he is capable of turning his ideas and plans into reality is something that cannot be judged at this time, however, his thinking is always sound and logical.

Description of K.

15. He appears to be about 40-44 years of age, thinning grey hair, sprinkled with black, receding hair line, grey-blue eyes, well dressed, suave appearance, very neat, about 5'10", about 160 pounds, normal, trim build, addicted to using various colored pencils and paper when expressing himself. Smokes heavily, no glasses, clean shaven. Adheres to a very strict diet due to recent kidney operation.

16. At 2000 hrs, T. called at the home of 35713, ostensibly for the purpose of returning a magazine which his wife had borrowed, but actually for the purpose of trying to discover the extent of the conversations with his friend K. 35713 told him that K. was an extremely intelligent man, and that the discussions about Gen. ZAKO and the MREK had been highly interesting, but that K. was so undecided on his future plans, it was doubted he could be utilized. It was also hinted that K. had expressed interest in making a connection with Radio Free Europe and that he would probably go with that organization.

17. It is recommended that this preliminary proposal be submitted to higher headquarters and that some indication of complete or partial approval or disapproval be forthcoming to aid in the future handling of K. It is stressed, and (? Americans) have no illusions about running the proposed operation otherwise, that all future negotiations and contacts be of a tightly controlled nature and a primary requisite be that all operational data be completely assembled on a continuous basis. It is further recommended that as a preliminary measure 4,700 Schillings be allowed for experimental and exploration purposes to cover the

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subsidization of K. for the next 6 months while his plans are being committed to writing and being considered by appropriate US authorities.

35124

35713