

POOR QUALITY DOCUMENT
SEE [REDACTED] FOLDER FOR HARDCOPY

OFFICIAL DISPATCH

VIA Air Pouch
(Specify Air or Sea Pouch)

DESENSITIZED

DISPATCH NO. KUNO-1067

REF USN 43-28
SECRET
CLASSIFICATION

TO Chief of Station, Frankfurt
Attn: Chief of Base, Munich
FROM Chief, NK

DATE JUL 1 1955

Info cc: Chief, Vienna
Chief

SUBJECT GENERAL Operational/PLANS/MORNY/RTMAX
SPECIFIC Delivery of "Peter" Documents to General ZAKO

REF: DEFA-3598 (7 June 1955)

- Headquarters apparently received in error Munich's copies of reference. These are now being forwarded as separate copies attachment to this dispatch. As will be noted, [REDACTED] requests Munich's assistance in mailing original "Peter" reports to General ZAKO. Inasmuch as it is unknown whether Munich had anyone available who could read these documents in the original language, Headquarters took the opportunity of having them translated, so that the Station would be better able to determine whether it would be advisable to service this request.
- With regard to Headquarters' feelings on the matter, at first, Headquarters was reluctant about agreeing to serve as a communication channel to ZAKO, particularly if such a procedure were to be on a continuing basis. However, after discussing the matter and with due consideration of the fact that there was no apparent security risk involved and also in view of the material received, Headquarters decided to go along and leave the actual decision of forwarding the material to the Munich Station. However, Headquarters would not recommend that Munich's agreement in this case be regarded as a precedent for servicing future requests. Munich's views on the matter would be [REDACTED]. Also, Headquarters would also be interested in learning what is "Peter's" usual procedure in forwarding his reports to Zako, and why in this particular instance assistance requested?
- Regarding the "Peter" report itself, the information is indeed interesting. As [REDACTED] correctly guessed, the second attachment is an intelligence report and it includes several points which headquarters was heretofore unaware of. For example, although it was realized that ZAKO was originally cut-in on Operation VENUS

SI/BJEG	
SI/VE	(Releasing officer)
SI/VE	
RECEIVED	
FORM NO. 51-29	
JUN 1949	

[REDACTED]
SECRET
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DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2006

POOR QUALITY DOCUMENT
SEE [] FOLDER FOR HARDCOPY

SECRET

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Page 2.

out-in on Operation VIKING, Headquarters remained unsure that Peter continued to report to SAIG in a most complete manner on his contacts with HOWARD and FURBER. Thus, it would seem that SAIG is quite aware of the particulars and direction of the VIKING case perhaps to a greater degree than any of the other recipients of the material since he is the individual most directly concerned. Another point of interest was that sporadic references checked are very closely observed by the AVS. If such is the case, then it might also follow that his Belgian contacts [] may be or have already been detected.

28 June 1975

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- Handwritten: []
- 3 - Inventory/so attach.
 - 2 - [] on attachment and [] by []
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WR/2 VBG

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SECRET

Hungarian Combattants
Comrade Community
Chief group leader in Belgium.

MICROFILM
JAN 1 1980
DOC. MICROFILM

(Words and phrases between asterisks *---*
are terms, translations, or explanations
of the translator.)

68 MIL - 106711
VENNA
6P

Excellency *or rather a title between excellency and honorable* Major
General, Sir!

It is with great pleasure that I report receiving the Evacuation Instructions. This way, here in Belgium with personal contacts, and in other countries with correspondance, I can start the work. If I may be permitted to ask one or two questions and make one or two proposals to your Excellency I would like to take this opportunity to do so. There are a few points where I do not see clear, rather a few relating points where, should your Excellency consent, perhaps we could make our preparations more effective.

As a first proposal, I report, that at that time on the territory trusted to my care there was no Hungarian unit disarmed. Therefore, in selecting a name this can not be considered as a starting point. I would propose that the brigade *military unit of two regiments* should be named as Carpath *Carpathian* brigade. This name is clear to every Hungarian and is also understandable to foreigners. As an insignia *emblem* if I would be permitted to select, I would choose the insignia of the old former common 27 Division*(Austro-Hungarian)*; Bastion on a shield. This would revive many old memories to us all.

If I may present my first question, I do not see clearly the relation between the Evacuation and the MHT. At that time, *sometime back* we acknowledged authority of the MHT in military questions. However, until I receive authorization I believe I am not permitted to initiate general CARAY into the works *projects*. In any case I shall not discuss this subject with him until I receive your Excellency's answer.

J.P. As you will be gracious to remember we have very good relations with the Roman Catholic parish of Brussels and its present leader Bela PERI. He is an agile man and if I would be permitted to initiate him he most certainly could help us greatly. However, to do this I, also, first ask Major General, Sir, for your consent.

On the territory of France in the matter of selection of commandants *commanders* I receive an undisputed very great help from colone POCZELY. Although I do not know to whom to turn to *in this field* in other countries - firstly in England. I wonder whether the chief group leaders are appropriate for that purpose everywhere. It would help greatly if I would know your Excellency's opinion concerning this.

To stay in this same trend of thought, I might be in need to prove my commission (my authority) to the prospective commanders. I would ask your Excellency to supplement the already received instructions with a letter of credential *a letter of commission*, listing without doubt those countries where the care of the Hungarians has been entrusted to me.

I am certain that after receiving your Excellency's answer I can begin my work with full energy and the result will not be lacking.

With deep respect, sends his greetings

Your Excellency's obedient subordinate

[] MAY 1980
PUNCHE
Daly 22

Report about establishing first contact with the new delegate

2 May 1955

with memo signed with name of Gen. ZAKO for Zoltan Kovacs, H. S. P. H. C. A.

1. Meeting was held on the 14th of April in Brussels, and until the end of the discussion, in ~~KALMAN's~~ presence. At my former meeting with KALMAN I had already reported to him about the Cologne trip and at the time of this meeting I was already in possession of the Evacuation Instructions, but I did not bring those with me. Although KALMAN did not mention that he will bring me together with the new delegate now, there were some signs of this intention and therefore I went to the meeting mentally prepared. (The time of the meeting was extraordinary, I was not permitted to bring material with me etc.)

2. Description of the new delegate; Name (for me and officially reported) ~~FUEREDI~~, about 170 cm. tall, good appearance, slightly balding, light brown hair, jovial face. According to his reported data he was born in 1916. I judged him one or two years younger. A poised, self-assured in bearing, reproachless, good-mannered man. The few French words he directed to the waiter were faultless. Uses military expressions frequently and with complete expertness, on the other hand does not use the characteristic communist expressions. According to my opinion based chiefly on his way of speech, his bearing, his individuality, his manners all show that we are faced with an old Ludovica * Hungarian Military Academy* graduated officer. I emphasize tho that my impression is based only on a three hours meeting and inasmuch as he was strongly prepared for this, it is not impossible that he only played a role. I would be able to give a definite opinion only after repeated meetings. In my future reports I will name him LASZLO. *add. name*

Place used with Gen. ZAKO for Gen. Turadi. H. S. P. H. C. A.
To gain my confidence, he revealed himself extraordinarily and in order to impress me he dished out a great deal of what they know. This frightened me at the beginning of the conversation, because I already was apprehensive that they discovered me and wanted to prompt me *to reveal*. However, such a conglomeration of data was revealed that the above suspicion could be ruled out unconditionally. (If that would have been their aim I could have picked up only dropped words, so the matter should not be suspicious.)

Data about himself; He has this job now for five years. He spent four years of the five in the center and even during that time "I" was his subject. (According to KALMAN he was evaluator on Belgium.) Even in these years he spent 4-5 months abroad yearly. He knows the West well. He spent the last year in Paris. At present he is first secretary of the Brussels legation. (This was easy to check. He actually arrived from Paris at the end of March, and truly at present he is first secretary of the legation under the name of FUEREDI. The Demi-Geroe case was prepared by him and even now he is working on a similar case (says he)).

3. What they know (or at least the way they tell me);

SZANDOR a./ Evacuation; My brigade is not the only one. Already there is one under organization in Germany and another one in Austria. In Germany the organizer is ~~BELLAGYI~~, but it is uncertain whether he will be the commander. The situation is confused about the one in Austria. The way the chief "dished out" this to me, the territory East of the Rhine will be given up and nothing will be organized there, but there they also know that West of the Rhine there is nothing in organisational stage. (FUEREDI says "The chief is an expert and tells everybody only what concerns them", KALMAN expressed this at that time thus: the chief is a sly pig; here is the difference between the two men.)

Training is already in progress in Spain. Up to now 5-600 officers and officer-substitutes have received training from American officers in the most modern combat methods. When the time comes to form the brigades the officer and officer-substitute frames *cadres* will be already trained and ready. (Naturally, to me, this is almost unbelievable news but FUEREDI does everything to convince me.)

b./ Paris. My last trip there was a complete success, I enjoy very great respect among those (says FUEREDI). Although it is too bad that I did not know what a beehive I stepped into and could not exploit the conversations to my best advantage. (He knows exactly with whom I conversed.) He pointedly boasts that he knows the inside of the Polish house (Rue Legendre 20) and even the furnishing of PECZEY's apartment to the last minute detail (and really he knows it exactly). According to him, the BK in France is headed not by PECZEY but by ALMASSY and BETHLEN. The Kiga service in France is working strongly. The chief, on his last visit gave commission to BEREZNY to lead it in Paris. Working very active at this in the provinces is GYOERFFY (Strasbourg) and Kalmay PUPOS (Algrange). There were some who proposed to include LOVASZ again but the chief was against it. LOVASZ, who is by way a very arrogant natured man, is working together with GACSER. GACSER is also collecting *recruiting* couriers and some of these he turns over to the chief, - in this field even the NB collaborates with the BK. The producer and the main character of the presented theaterplay Lajos KISS, and KUTTI, are also working in similar cases but in the frame of ~~some~~ some other service. (Here I report that according my Paris experiences these two men are the proteges of a seemingly very harmless dancing-girl-crazy French colonel who was present at the festival.) Besides, the recruiters receive 25.000 Francs for an accepted courier. There are not many but there are some still. GYOERFFY and PUPOS are fishing among the discharged legionnaires, and GACSER tries to do the same in Marseille. Besides, they know exactly, when and who comes over from Germany to GYOERFFYs. And they know also (they say) where the couriers cross the Hungarian border and where they first change clothes in HUNGARY. They know the chief's men at home, in the HM and also in their central. Here for my reassurance he added that these are insignificant small men.

4. Questions asked.

To the questions regarding the Evacuation I could not answer, I do not know more than what I heard in Cologne, and what is contained in the just received, and orally presented, instructions. Therefore I have to present these questions in letter form to the chief. The letter is enclosed. In order that the answer should be appropriate I did not dare to mail it before this report. In the letter, the proposal (name and emblem), before the question did not originate from them - I only put it in "to camouflage for the chief" and also to show a little independence toward them. In reality I propose that my idea regarding the name should be discarded *refused* and the already ordered Ferenc KARCOBI name be ordered - I ask that the emblem if it is satisfactory be accepted. (This would be good from every view point; the chief directs independently but sometimes accepts proposals.)

In connection with the questions contained in the letter I report:

MHT.: I have strong suspicion that they would jump at the opportunity if the MHT would be left out and would not know about the Evacuation. They know exactly, and have mentioned it too, that we acknowledged competence of the MHT in military questions. Here we have to be careful because they could use this to entice serious differences.

Initiation of DERI: After America, the Vatican is the main enemy. I f

they could make an open scandal of the Evacuation, it would be the jackpot for them if they could slap the catholic church too. According to my view DERI in reality could not help much and therefore, propose the rejection of his initiation.

Credentials. After I communicated the contents of the instructions, both of them were of the opinion that these are only on a general line, and I should receive such particulars as concern my brigade exclusively. This should contain a list of the countries. However, when FUEREDI mentioned this, that I should ask the chief about credentials, he accentuated the official character of the credentials so much that I have the strong suspicion that they would play this up as a serious open weapon. This could be also a diplomatic step, on even a higher level, or even at a great conference. I propose you kindly refer to the Cologne conversation and not to give out any signature in connection with the Evacuation (not even to anyone).

To whom should I turn in other countries; very naturally this is interesting to them, but they strongly accentuate England. They may have scented something that there is some trouble around BOROSNYAI (by the way FUEREDI calls BOROSNYAI by his old name TOMPA). Here I report that I myself have difficulty because really I do not know to whom I could turn. Perhaps in Holland the old gentleman would be acceptable for the first contact, but in England I do not dare to touch BOROSNYAI, he frightens away everybody, and others I do not know. In Spain, if you are so kind as to agree with me, I will turn to SZANTAI.

Other questions (not contained in the letter):

Is there any csoc. *gendarma?* movement in Belgium in the frame of the BK? (There is none.)

Particulars about some men here. (ANDREANSZKI, DERI, KRASSAY etc.)

Is there any new instruction for the co-operation with the catholic church, because according to them, the chief in Paris in the fall gave very strict orders to co-operate with Roman ~~PEZEK~~. (Here there is no new instruction, but in the fall the chief was very glad for the nice co-operation.)

Whether the matter of the "letter stickers" that were used on the posters during the Hungarian ballet performances here, did originate from Paris. (I am above suspicion in this matter because the stickers were paid for by them and I had them printed, and such an impertinence is not even imagined by them.) FUEREDI says that ~~BERZNYAY~~ from Paris called up ~~ANDREANSZKI~~ on the telephone that they should organize a strong action against the ballet. (I have not yet had an opportunity to check whether this conversation really took place.)

Do I know Jeno ~~HALMAY~~ well? Was he present at the Cologne conversation? (These two questions were asked by FUEREDI completely independent from each other, and at great interval, point blank, and the subject was not continued by him. However they know very well that HALMAY was not in Cologne, KALMAN heard about COLOGNE from me in great detail and he also received a manypaged typewritten report. Not even the name of HALMAY was mentioned.

5./ Instructions;

They are given in very courteous manner. (Perhaps it would be good if.... Is it not so that you could do it....etc.etc.) Here I report that FUEREDI addresses me by my name as Mr...., KALMAN always used a short "you" and SCHUSTER called me by my covername Mr. TELEKI.

Letter to the chief.

Until an answer is received, no organising.

Handwritten: ~~DERI~~ ~~PROESS~~

Keeping and strengthening contact with some of those here, example;

Proposal about which persons could be won over * recruited * and who then could be sent to the United States and to Germany. My role would be only the selection of the individual. KALMAN, a few months ago, evidently aimed at this when he asked me who are those who would want to settle down in the United States or in Germany. At that time he did not say why he asked this. Now FUEREDI frankly opened-up *unloaded*.

6. My own questions and FUEREDI's answers:

How shall I legalize *account for* my expenses? (Motor, trips etc. would be conspicious to the chief.)...I should charge them to the BK and deduct them from the membership dues.— That cannot be done, the membership dues do not cover the least part of it.— Then I should start a collection and confiscate, *seize it*.... Neither that would be good, the collection would have no results.— Then I should enter fictitious donations and carry them over to my account.

There are very few BK members, what should I tell the chief if he will call me to account?— If we arrange a festival, enroll as member, without asking, every person present. According to FUEREDI this is the way it is done in Paris also.

Although I will do everything to notify them in time if something would be prepared against them but can not give any guarantees, I hope that they are on their guard! *that they are prepared?* —They calm me. Yes, they are prepared. There is no compromising paper of any kind at the legation, they are in a safe place. (They believed that I was concerned about my own security when reminding them.) If there should be an attack, they could receive it properly, and the attackers would not leave the place before ~~anything~~ everything would be taken out of them. * before they would confess to ~~everything~~ everything *. According to FUEREDI such an att. * in the original it is an abbreviation "tad" that could be interpreted as "Támadás"= Attack * would be ruled out in France and Austria. In Switzerland and Belgium it would be possible, in fact probable. They do not anticipate * such an action * from those here but fear the action of a "diversion group" that may arrive from Germany.

5. a./ Forgotten from 5.

FUEREDI's later plan. Later when the organisation ^{has} started, I should ask PECZELY to make a selection of battalion commanders and invite them to Forbach. There is a very interesting group there and I will learn a great deal from them. At the same time I should invite PECZELY for a good lunch or dinner and he will talk over the dinner table,— this is his weak side.(According to FUEREDI.)

7/ Small matters about other subjects.

The newspapers in just those days reported, that the members of a plot (five men) were executed in Hungary, among them GAL an army officer. FUEREDI was not informed; according to KALMAN these were not the chief's men,— that was another affair, among the executed there was also FIALA the newspaper reporter.

Imre NAGY was just then half-way resigning (he had not resigned yet but he was already being repeatedly and strongly attacked). According to KALMAN, NAGY will not have any trouble, he will be university professor. FUEREDI opined that NAGY will receive another job in the administration but acceded to KALMAN's view with "You should know that better". It could be clearly seen that KALMAN is better informed in political questions but that FUEREDI is better acquainted with the BK.

8. The next meeting would have been in one week. Only an exchange of material, (Instruction on film.) and conversation with FUEREDI was planned. FUEREDI did not come, instead KALMAN was waiting for me and excused his colleague, who allegedly had to make a hurried trip to Luxembourg. The next * meeting * will be after the regular time lapse (three weeks) (if true) and FUEREDI will come. (Promised KALMAN.)

9. My report and the attached letter are late because of security reasons. The date of the answer, however, is important. Inasmuch as the next meeting is arranged for the 12th. and I could not receive an answer by then, I would suggest that this date should be the 10th or the 11th. It is to be hoped that the answer arrives before the next meeting that is arranged for three weeks after the 12 May.

^{was recommended}
10. (As commander for the battalion to be organized in Belgium, I nominated Geza HUEBNER (lieutenant.) I plan to organize three companies here, selection and recruitment *indoctrination* of company commanders is in progress.

11. With regard to the question posed in the last letter, I report: (Question of AGH concerning FERENCZI) Marton FERENCZI, gendarme officer-substitute (or sublieutenant, I do not know for certain, the card-index is not by me) was a very substantial member of ours, for many years he was sub-group leader in Brussels. He migrated to the United States. According to my knowledge his last address there (at the beginning of this year) 11419 Buckeye Road, Cleveland 30. Ohio. At home he formerly served in the investigating section. At that time he was the one who arrested ANDREANSZKY on suspicion of treason (still in our time). Here abroad he had the best of relations with him. He did many and good services. I presented him to BABA at the Hungarian House on the occasion of one of BABA's first trips to here.

Z a b i e

