

VIA: AIR
SPECIFY AIR OR SEA POUCH

DISPATCH NO. OBBA 92

CLASSIFICATION

TO : Chief, WE

DATE: 14 January 1953

FROM :

SUBJECT: GENERAL - PARSIMONY
SPECIFIC - Operation VENUS

MICROFILMED

1960

REPRODUCED

*Serena
Kozma*

1. Operation VENUS is a [Belgian] double-agent operation involving a Hungarian emigre in Belgium called Peter (real identity follows in OBBA 93) who was originally recruited as an informant by the [Belgians] in 1948. His recruitment late in 1949 and subsequent manipulation by the Hungarian service (AVM) has been controlled and to some extent directed by the [Belgians].

2. Attachment A contains biographical data on Peter to the time of his recruitment by AVM. Attachment B is a brief account of Operation VENUS to the present time. Attachment C includes the [Belgian] reports on which Attachments A and B are based. Photographs of Janos PECSI and Zoltan KOVACS are included in Attachment D.

3. The original [Belgian] case-officer is not yet known, but [] as the [Belgian] specialist (research) in satellite affairs, was called upon to assist in the case from its inception (see page 2 of Attachment A). [] has continued to direct the case and even to write the contact reports. This, incidentally, is an indication of the importance which NIGHTINGALE attach to the operation, since [] does not normally assist in agent-handling or reports-writing, being occupied solely in research (he is responsible, for example, for the satellite section in the [Belgian] Rapport Mensuel).

4. [] has succeeded the original [Belgian] case-officer. [], however, left for London on 4 January 1953 for 3-weeks BROADWAY training.

5. On 18 March 1952 KUFIRE received the first [Belgian] report on the case.

6. On 12 January 1953 [] discussed the case briefly with []. The following points emerged:

a. [Belgian] surveillance of the contacts between Peter and his present AVK case-officer, which was detected by the opposition (see para 37 of Attachment B) and resulted in a counter-surveillance (see

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para 40 of Attachment B), was abandoned after the contact of 22 November 1952 and [] gave his assurance that it would not be renewed.

b. General Andras ZAKO is aware of the general outlines of the case. [] discussed the operation with him during his visit to Belgium 15-17 August 1952. ZAKO agreed in general to support the operation and in particular consented to handle the agents whom Peter recruited (see paras. 4,9,13,15,19,20 and 34 of Attachment B), provided he were given full data on them.

7. Detailed questions on the case and plans for its future exploitation will have to await [] return. It is considered that the following are the major desiderata of the case:

a. To brief Peter in detail on what his reply should be in case the opposition again broaches the question of sending him behind the Iron Curtain. (See paras. 3 and 6 of Attachment B.) It is hoped, of course, that he can be induced (ideologically or financially) to go under KUFIRE-~~Belgi~~+D control.

b. To obviate the necessity for supplying the opposition with forged documents (see para 7 of Attachment B) and apparently useless misrepresentations (see paras. 13,30,32 and 35 of Attachment B) which substantially reduce Peter's security.

c. To provide Peter with a coherent and detailed story of all that he may safely be allowed to tell the opposition about MHEK in order to minimize the possibility that he will appear evasive to his opposition case-officer (see particularly para 28 of Attachment B and the ~~Belgi~~ report of the contact of 21 September 1952 which indicates that Peter specifically asked for advice in this matter).

8. Headquarters assistance is particularly requested for the following:

a. Traces not available [] on persons mentioned in Attachment B;

b. Advice and assistance in fulfilling the requirements mentioned in paras. 7a and 7c above;

c. An account of whatever need be known [] of KUBARK exploitation of ZAKO and MHEK with indications of what, if anything, may be revealed on this subject in subsequent discussions of the case with N/15;

d. A consideration of possible means of KUBARK exploitation of the agents whom Peter is recruiting (see para 6b above).

9. The [Belgian] reports on the case (Attachment C) supply extensive documentation on AVK methods of agent-handling. Details of ~~the~~ tradecraft, however, were excluded from Attachment B with the thought that they might better be made the subject of a separate study by Headquarters specialists.

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ATTACHMENT A

4 September 1911

born at Szekelykeresztur, Hungary.

attended Protestant primary schools and a Protestant lycee at Debrecen for one year.

1922 - 1929

attended military schools at Sopron and Pecs

1929 - 1933

attended Ludovika military academy at Budapest.

1933 - 1937

commissioned as lieutenant of artillery and served with 2nd Artillery Regiment at Sopron and then with 1st Artillery Regiment at Budapest.

1937 - May 1941

attended General Staff College at Budapest; promoted to captain of artillery and assigned to IX Army Corps at Kolozsvar as staff officer in the mobilization section.

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1941 - 1948

served at the front with 1st Cavalry Brigade as chief of the reconnaissance, espionage and counter-espionage section.

reassigned to IX Army Corps at Kolozsvar as chief of the mobilization section; also assigned to give courses in military tactics at the University of Kolozsvar.

late 1943

assigned to organize Hungarian guerilla groups to operate against eventual Soviet occupation forces.

early 1944 - early 1945

assigned to the front as chief of staff of 27th Infantry Division; promoted to major of artillery.

early 1945 - March 1945

assigned to General Staff of Hungarian Army at Budapest as chief of anti-Soviet propaganda section.

March 1945 - 1946

fled Hungary with General Staff and family; captured and imprisoned for three months by U.S. Army; settled in Straubing, Bavaria, secured employment in a factory making photographic apparatus; applied for and was refused a Belgian entry permit.

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January 1947

crossed German-Belgian border alone and illegally; settled in Genk, Limbourg; secured employment as a coal miner in Winterslag.

August 1947

returned to Germany, brought wife and two children back across border illegally to Genk; fortuitously

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lodged in a pension where a local [Belgian] officer lived.

subsequently brought to Brussels, interrogated by N/12 and hired as informant on Hungarian emigre and labor union affairs; surveillance undertaken over a period of a year and a half by the Liege section of [Belgians] revealed no derogatory information.

summer 1948

chosen to organize in Belgium and to represent the Mouvement de la Liberte Hongroise (MSLM), the anti-Soviet organization of General Ferenc FARKAS.

late 1948

chosen to organize in Belgium and to represent the Communaute des Combattants Hongrois (MHBK), the anti-Soviet organization of General Andras ZAKO.

1949

under [Belgian] control, developed several contacts among Communist labor leaders which led eventually to a contact with Oscar FORBAT (see WBBA 1608) who was at that time president of the Union des Democratres Hongrois (UDH) in Belgium; instructed by FORBAT, after two interviews, to report to Joseph KATUS (see WBB 3544), then Chancellor of the Hungarian Legation in Brussels.

subsequently secured employment in a factory at Liege and undertook technical studies with a view of becoming master-electrician; now resident at 6 avenue Reine Elisabeth, Liege.

emigre emigre orgs. in Belgium

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ATTACHMENT B

1. After several clandestine meetings in Brussels, Joseph EROS recruited Peter to penetrate right-wing Hungarian emigre organizations. Late in 1949 Peter entered France clandestinely, attended a meeting of Hungarian emigre military leaders in Paris and reported the results of the meeting to EROS. Early in 1950 Peter proceeded to Munich on a similar mission.

2. In July 1950, when EROS was recalled to Budapest, Peter was turned over to Andre FULOP (see WBB 4094 &c), ^{CIT. Hungary} ~~Attache of the Hungarian Legation in Brussels~~. Under FULOP's direction Peter continued to report on the Hungarian emigration (particularly on MHBK) and was also instructed to submit biographical data on possible candidates for an agent network.

3. On 10 October 1950 FULOP ^{Hungarian case officer of EROS} ~~proposed that Peter undertake a mission into the Soviet Zone of Austria~~. Peter did not categorically refuse to accept the assignment but represented the difficulties he might encounter with Soviet and/or Austrian authorities on account of his clandestine escape from Hungary and his illegal existence in Belgium.

4. On 18 March 1951, ^{CIT. Hungary} ~~during a routine meeting with FULOP in Brussels~~, Peter was introduced to Joszef TELEKI, ~~Attache of the Hungarian Legation in Paris~~. TELEKI was presented to Peter as one Schuster, ^{Chief of EROS} ~~FULOP's chief from Budapest~~. ~~Schuster maintained that espionage nets had been organized in France, Germany, and Austria by MHBK in collaboration with the French and American services and were already active in Hungary~~. He assigned Peter to secure ZAKO's approval for the organization of a similar unit in Belgium. Schuster also questioned Peter very closely about the offer which ~~Pall AUER~~ had made in Paris on behalf of the ~~MSLM New York Committee~~ for a rapprochement with MHBK. Peter was instructed to proceed to Paris clandestinely to prepare a report on the Hungarian military leaders.

5. On 20 June 1951 Peter reported the results of his trip to Schuster in Brussels. Schuster instructed Peter to maintain close contact with AUER and to support AUER's efforts to amalgamate the Hungarian emigre organizations. Schuster maintained that it was dangerous for him to travel to Belgium and set the next meeting with Peter for Paris.

6. On 28 August 1951 Peter again crossed the French border illegally and met Schuster in Paris. Schuster questioned Peter closely on his interviews with ZAKO and with (fnu) BAK, Chief of MHBK in France. Schuster also questioned Peter on his private life, his work, and his family remaining in Hungary. Schuster acknowledged that he was an attache at the Hungarian Legation in Paris. On 29 August 1951 Schuster asked Peter if he knew (fnu) MEDGYESSY of Brussels. Then, after a long preamble, Schuster urged Peter to accompany him to Budapest. Peter parried the invitation by referring to the dictates of his conscience, his difficulty in accepting the Communist theory of blind obedience, &c. Schuster recommended that Peter undergo a vigorous course of self indoctrination, including an intensive reading of L'Humanite. Schuster also asked Peter if he, or other members of MHBK, had ever been approached by ~~[Belgians]~~ Peter replied in the negative so far as his own acquaintance was concerned, but said he could not, of course, be

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certain about other members.

7. On 22 October 1951, Peter met Schuster in Paris again. He told Schuster he had been invited to a congress of Hungarian veterans which would take place at Munich in November and showed Schuster a (forged) letter from ZAKO. Schuster agreed that Peter should attend and assigned him to report on the alleged creation of a new military organization by the New York Committee (MSLM) and also on the alleged exposure of an MHEK double agent in Vienna. Schuster complained that he was ill (and appeared so to Peter) and said he would return to Hungary for a month's medical treatment. Schuster also gave Peter \$100 for a radio which would enable him to listen to the broadcasts from Budapest. Finally, Schuster asked Peter to keep himself informed of the activities of the ~~Intercomite~~ Intercomite des Refugies and of the Polish emigration in general.

8. On 25-29 November 1951 Peter attended the Hungarian veterans' congress at Munich.

9. On 19 December 1951 Peter reported the results of the Munich congress to Schuster in Paris. He also submitted to Schuster a copy of the Black Book edited by the MHEK. Schuster questioned Peter closely about the clandestine activities of the MHEK, but Peter replied that since he was not a member of the Secret Committee (Comite restreints), he had no way of knowing about those activities. Schuster then reverted to the possibility of Peter's recruiting agents in Belgium for espionage against the Communist regime in Hungary (see para 4 above). Schuster also instructed Peter to establish contacts with emigres of other nationalities, but particularly with the Polish, so that Peter would become the spokesman of General ZAKO vis-a-vis the London Poles, General ~~ANDERS~~ ANDERS, and the Committee of Federation and eventually achieve a penetration of the headquarters of General Eisenhower. Schuster also urged Peter to meet Zoltan ~~DEAK~~ DEAK (see WBB 4425, &c.) and Gyula KOVACS, the Hungarian emigre leaders in Brussels. Schuster set the next meeting with Peter for January or February 1952, the exact date to be announced by the usual postcard employing an open code.

10. On 13 March 1952 Schuster wrote to Peter saying he was temporarily absent from Paris.

11. On 3 April 1952 another letter was posted in Paris summoning Peter to a rendez-vous on 6 April at 2100 hours. The place of the rendez-vous seemed to conflict with Schuster's earlier instructions, however, and Peter failed to make a contact.

12. On 8 April 1952 Peter received a third letter, posted from Brussels on 7 April and fixing a rendez-vous for 9 April in Paris. Peter returned to Paris and encountered Schuster. This contact was surveilled by the French Surete. Peter reproached Schuster for failing to meet him on 6 April. Schuster admitted that he was at fault and announced that, in order to eliminate the useless risk of Peter's clandestine trips to Paris, routine rendez-vous would henceforth be made in Brussels, with arrangements for emergency rendez-vous in Paris. The next meeting was set for 18 May in Brussels and, for the

first time, a recognition signal was established.

13. Peter then recounted what he had heard of the recent meeting in Paris of Polish, Ukrainian and Hungarian emigre groups, deliberately misrepresenting the date of the meeting as the date, some ten days earlier, of the official announcement of the meeting, which was made in London. Schuster reiterated his desire to have Peter develop his contacts with Polish and Czech emigres in Belgium. Peter then disclosed a (notional) mission which had been entrusted to him by ZAKO, namely, the recruitment of a group which would be ready to undertake exceptionally hazardous assignments. Schuster instructed Peter to submit the names of the candidates to him so that he could decide which ones were to be submitted to ZAKO. In response to specific questions about ZAKO's liaison arrangements with Belgian authorities Peter insisted that ZAKO handled this personally and that he (Peter) knew nothing about it. Schuster instructed Peter to notify him in advance of ZAKO's trips to Belgium, and to report all of ZAKO's contacts during these visits. Schuster then asked for a complete list of MHEK members in Belgium and for specific information on (fnu) DERI, a Hungarian priest in Charleroi.

14. On 14 May 1952 Peter, on instructions from [Belgians] sent a post-card in open code to Sandor RATAKI, Harsfa U.24.1.8, Budapest/8.11, stating that he had urgent news to report concerning ZAKO, and requesting a meeting for 18 May 1952. (This was the address which Schuster had given Peter on 22 October 1951 and which Peter had used to request the meeting of 18 December 1951)

15. On 18 May 1952, when Peter arrived at the rendez-vous point, he was approached by a stranger who gave the recognition signal and announced that he had been sent from Budapest to succeed "Jozsef". The stranger was Janos PUCSI, born 31 May 1922 at Budapest, a Secretary 1st Class in the Hungarian Ministry of Foreign Affairs, who had entered Belgium only two days before on 16 May 1952, with a visa issued 10 May 1952 by the Belgian Legation in Budapest and valid 14-20 May 1952. The stranger showed himself to be minutely acquainted with the details not only of Peter's life and the lives of his family remaining in Hungary but also with the whole course of his manipulation by the Hungarian service and even quoted from memory passages from Peter's reports. After these preliminaries, Peter submitted his report and named three possible recruits for the notional MHEK action group (see paras 9 and 13 above). Tiber BENESICS, 283 (?) rue des Venues, Liege; Jozsef SALLAY, Hotel du Rond-Point, Winterslag; Jeno SRABAK, 53 rue des Guillemins, Liege. Peter was instructed not to mention these names to ZAKO until Budapest had given its consent. After asking Peter a number of questions about the center which General ZAKO was going to set up in Belgium - - Would it simply recruit agents who would be handled elsewhere, or would it recruit, train, dispatch, and brief agents? - - and requesting information on (fnu) MARSKI (Secretary of the Union Militaire Polonaise), the stranger announced that he would introduce Peter to his colleague. Leaving Peter on a park bench, he returned shortly with a second stranger whom he introduced as Zoltan KOVACS, born 18 April 1924 at Irbony (Ybrary), who had also entered Belgium as a Hungarian diplomatic

Re: Subj's contact with General Koczma-C 18 May 1952

(Covered 16 May 1952. Re: Subj's contact with General Koczma-C on 18 May 1952.

courier on 16 May with a visa issued by the Belgian Legation in Budapest on 10 May and valid only 14-20 May 1952. PECSI and KOVACS claimed they had not received the post-card which Peter told them he had mailed Budapest on 14 May.

16. PECSI questioned Peter closely about ZAKO's projected visit to Belgium, expressed his satisfaction with Peter's progress vis-a-vis ZAKO, and asked Peter to submit a list of members of MHBK. He then recounted Peter's instructions from Budapest:

- a. to make himself indispensable to, but not to force himself upon, General ZAKO; to urge ZAKO to confer the widest possible powers upon the projected Center in Belgium; to determine what contacts ZAKO had with Belgian intelligence authorities.
- b. to promote the idea of a world federation of emigre military groups and, with ZAKO's permission, to create a regional Federation in Belgium; to maintain close relations with Polish, Ukrainian and Czech groups, but to limit himself to the issuance of directives, leaving the details of liaison with the Poles to his collaborators in MHBK, Pal KRASSAY and Istvan ~~WENESFAY~~.
- c. to keep informed on emigre matters, not necessarily seeking out information but analyzing carefully what comes to hand.
- d. to make his daily life absolutely consistent with that of a reactionary emigre: no more clandestine trips to Paris, except to see ZAKO, no more post-cards to Budapest except in extreme emergency.
- e. to redouble security, but not to the point of unnaturalness.
- f. to display initiative and to use his own judgment in the fulfillment of his assignments.

17. Then PECSI briefed Peter on the clandestine activities of MHBK: the Center was originally in western Germany; former Hungarian officers were in charge of agent-training but their activities were directed by the French and the Americans; however, since three couriers had been arrested in Hungary and two of them confessed they had been trained by MHBK, the Center had been moved and its present location was unknown. PECSI also mentioned the contact in Paris between ZAKO and ^{Hadju} ~~WENETH~~ who, he said, is both a representative of (Msgr.) KOZY and assistant chief of the military section of the New York Committee (MSLM).

18. On 9 June 1952 General ZAKO cancelled his trip to Belgium and on 1 July 1952 he wrote a letter to Peter from Innsbruck explaining the reasons for his absence.

19. On 20 July 1952, the date set at the previous meeting, Peter met KOVACS in Brussels. The latter had returned to Belgium on 14 July with a diplomatic visa issued in Budapest on 9 July 1952 and valid 9-25 July. He was accompanied

on this trip by his wife, Maria BOROSONSZKI, born 1926 in Barje. KOVACS first asked Peter to report on the Belgian visit of General ZAKO, then launched into a long tirade to conceal his ignorance that it had been cancelled, and concluded with the startling revelation that ZAKO was presently in the U.S. He asked Peter to verify the last and also to go to Munich during his vacation to visit ZAKO. Peter agreed and then showed KOVACS an article in La Libre Belgique for 6 July 1952 which described a secret meeting of emigre military chiefs in Paris to discuss the organization of an emigre army of liberation, as proposed by U.S. Congressman (R.) ARMS-TRONG. Peter then submitted his reports and named two more recruits for the (notional) MHBK action group: Mihaly ALMOS, 31 rue du Vieux Mayeur, Liege, and Jens RATZ, 55 rue Vesale, Louvain. After reading the reports, KOVACS urged Peter, despite the set-back caused by ZAKO's failure to appear, to redouble his efforts to organize and increase the activities of MHBK in Belgium. This would increase Peter's prestige vis-a-vis ZAKO and, in turn, enable Peter to gain the complete confidence of ZAKO's French and American financial backers. KOVACS also instructed Peter to purchase a second-hand typewriter and a camera suitable for photocopying.

20. 29 July - 5 August 1952 Peter spent in Munich, where he had interviews with ZAKO, SZILAGYI, chief of MHBK in the American Zone of Germany, ABAY and APOSTAGHY, editors of Hadak Utjan, the MHBK publication. ZAKO announced that he would come to Belgium on 15 August.

21. On 10 August 1952 Peter met KOVACS in Brussels to recount the results of his trip and of the program which had been arranged for General ZAKO's reception in Belgium. KOVACS explained to Peter how Budapest planned to exploit the agents whom Peter was ostensibly recruiting for General ZAKO. KOVACS also told Peter that the French and American services had demanded that ZAKO make extensive changes in his general staff, including the dismissal of LOVASZ, chief of the information section. (According to Peter, LOVASZ had resigned for reasons of ill-health.) Peter was asked to report any information he learned concerning the changes in ZAKO's staff.

22. KOVACS next instructed Peter concerning two MHBK documents which he said had not yet been disseminated in Belgium but which he would forward to Peter on 13 August. From KOVACS' description Peter gathered that one of these documents was an MHBK general order which Peter had received several months before and which required all MHBK members to be ready to bear arms voluntarily when the need arose.

23. Peter then reported the results of his inquiries concerning used typewriters and photocopying apparatus. KOVACS asked Peter to send him a copy of Hadak Utjan addressed to Joseph EROS at the Hungarian Legation. (EROS, incidentally, had been recalled to Budapest in July 1950.)

24. On 15 - 17 August 1952 General ZAKO visited Liege and Brussels.

25. On 24 August Peter met KOVACS in Brussels and submitted reports on

the General's visit and the organization of MHBK in Belgium and gave his opinion of the two documents which KOVACS had sent (see para 22 above). KOVACS refused to believe, as Peter reported, that the chiefs of the emigre organizations had failed to reach a military accord during the July meeting in Paris (see para 19 above) but Peter was apparently able to satisfy KOVACS that such an accord would have no significance even if it were signed. KOVACS asked Peter to find out the secret address of Radio Free Europe in Munich. KOVACS urged Peter to undertake more activity on behalf of MHBK and toward this end said he would propose that Budapest authorize an automobile for Peter. Otherwise, he feared that DENESFAY, with more leisure time and easier access to Comtesse DE LICHTERVELDE (a Belgian patroness of emigres), would displace him as regional chief of MHBK.

26. KOVACS asked Peter for information on the following: Marton KOLOSZ, Marie CSELEY nee KOLOSZ, Sigal SZOMBATI (Alexandre SZOMBATI or SZOMBATI, see WBB 202, 1237, 1496, 1610), and (fn) GERGELYFY (probably identical with Dr. Alexander GERGELYFY, secretary of Syndicat Hongrois Libre). He also asked Peter to find out from Gyula KOVACS the address of Hadju NEMETH.

27. KOVACS announced that he had set up his own photo laboratory (presumably in the Hungarian Legation, where KOVACS had been assigned as attache), but he had not yet received instructions from Budapest about Peter's camera. He gave Peter 3,000 francs to buy a second-hand typewriter, and also asked him to buy an MHBK seal.

28. On 21 September 1952 Peter met KOVACS in Brussels again. This contact was surveilled by (Belgians) Peter submitted his report, receipts for the typewriter and the die (for the MHBK seal), and the die itself and a copy of Hadak Utjan. In the report Peter indicated his increased activity on behalf of MHBK; he had visited Limbourg, where he had recruited one (fn) BOROC of Elsdon to distribute Hadak Utjan and to act as an informant; he had also visited Brussels and impressed upon KRASSAY and DENESFAY the necessity for organizing new sections, &c. But since the report was generally vague, KOVACS subjected Peter to a searching cross-examination and Peter began to fear that in the future he might have difficulty in answering or evading KOVACS' questions.

29. KOVACS told Peter that Budapest had demanded another, more detailed report, in chronological order, of Peter's conversations with ABAY, SZILAGYI and APOSTAGHY in Munich (see para 20 above). Budapest claimed that Peter had reported only the overt occupations of these men, whereas in reality ABAY is chief of the MHBK security service ("service de defense") in western Germany, SZILAGYI is in charge of all MHBK files and indexes, and APOSTAGHY is also concerned with security ("la defense") in some unknown capacity. Peter agreed to submit another report, but he objected strongly to Budapest's suggestion that he move to Munich to be near ZAKO.

30. KOVACS then turned over to Peter a Zeiss Contax-S camera with a 1:2 Biotar lens and launched into a half-hour's amateurish discussion of photo techniques. Peter feigned complete ignorance and asked if he could visit KOVACS' laboratory (see para 27 above). KOVACS hesitated and then refused saying that this would violate "principles". He asked Peter to submit

samples of his photocopying efforts at the next meeting.

32. On 12 October 1952 Peter again met KOVACS in Brussels. This meeting was surveilled by [Belgium]. As the two men started walking, Peter announced that the MHBK Congress, originally set for November 1952, had already taken place (on 28 September in fact) and that he had not been invited. (In reality, Peter had voluntarily refused an invitation to the Congress so that he could not possibly reveal its secret deliberations.) Before commenting upon this announcement, KOVACS asked Peter to submit his report and to meet him later at the original rendez-vous point. After leaving Peter, KOVACS turned several corners and finally got into a gray D.K.W. automobile, license number CD-348, and was driven away. This car is assigned to the Hungarian Legation but is customarily driven by Belor FENYSZARUSI, assistant Commercial Counselor in the Hungarian Commercial Representation. Eight minutes later KOVACS rejoined Peter.

33. Discussion of the Congress was then resumed, Peter maintaining that it was purely a propaganda stunt and KOVACS insisting that the purpose was to organize a Hungarian Army of Liberation. KOVACS asked Peter to request information on the Congress from General ZAKO. KOVACS then questioned Peter about an article by LOVASZ (see para 21 above) in Ember, an emigre journal published in the U.S. LOVASZ had declared that MHBK meddled in politics instead of limiting itself to military matters and that it was under the control of the New York Committee (MSLM). KOVACS reproached Peter for having written to BAK (see para 6 above) to ask for Hadju NEMETH's address since the latter was presently working with LOVASZ and suggested that Peter invite BAK and his wife to Liege on the pretext of discussing ways and means of emigre federation (see para 16b). On this subject, KOVACS asked Peter to find out why the Poles, who had formed federations in London and Paris, had not done the same thing in Belgium.

34. Concerning the three Hungarians in Munich about whom Budapest had demanded further information, Peter reported that he had approached ABAY directly for information on the Association Culturelle Hongroise and was awaiting a reply. KOVACS then asked for further biographic information on the five candidates for the MHBK action group whom Peter had previously reported (see paras 15 and 19 above). He also urged Peter to take an active part in the benefit ball which DENESFAY and Mme. DE LICHTERVELDE were planning for Hungarian and Polish veterans.

35. Peter then showed KOVACS the results of his experiments in photocopying (he had deliberately made a technical error). KOVACS made some technical suggestions and also instructed Peter in reports writing.

36. KOVACS asked questions, for the first time, about Peter's wife and when he learned that she occasionally wrote articles for Magyar Nok, the Hungarian woman's magazine published in Germany, he asked Peter to submit a detailed report on this publication.

37. On 2 November 1952 Peter again met KOVACS in Brussels. This contact was surveilled by [Belgium]. As soon as contact was made, KOVACS told Peter that

it was possible that their last rendez-vous had been surveilled. He asked Peter to submit his report and to meet him later in front of a cafe. After leaving Peter, KOVACS turned several corners and met Imre BORSANYI, Attache of the Hungarian Legation. The two men conversed for a few seconds and then separated. BORSANYI walked around the block, got into the gray D.K.W., and drove it directly to the Hungarian Legation. KOVACS returned to meet Peter.

38. Peter had very little to report and much of the conversation turned on personal matters or propaganda. KOVACS, however, advised Peter to write General ZAKO, respectfully protesting his exclusion from the MHBK Congress (see paras 32 and 33 above) and to develop as far as possible his acquaintance with Ferenc ERŐSS (see WBEA 764, &c), who had broken off with the Hungarian Social-Democratic Party-in-Exile and formed his own Independent Socialist Party. KOVACS also asked Peter to subscribe to various overseas emigre journals and to forward them in a plain envelope to him at the Hungarian Legation in the name of Joseph ERŐS. He warned Peter not to mail the envelopes from Liege since all mail addressed to the Hungarian Legation is scrutinized by the Belgian authorities.

39. KOVACS criticized Peter's further efforts at photocopying and relayed Budapest's demand for complete biographical data and psychological assessments of Peter's candidates for the MHBK action group (see para 34 above). He also asked Peter to submit a complete file of Hadak Utjan.

40. On 22 November 1952 Peter met KOVACS in Brussels. This contact was surveilled by Belgians. Imre BORSANYI was also observed in the vicinity, apparently engaged in a counter-surveillance of the meeting. As soon as he received the reports, KOVACS instructed Peter to walk on down the street two blocks and then turn back. KOVACS himself doubled back and rejoined BORSANYI. KOVACS and BORSANYI walked along together for a few moments during which time KOVACS handed the reports to BORSANYI and then turned back to rejoin Peter.

41. Included in the material which Peter submitted to KOVACS was a letter to Peter from General ZAKO (original and photocopy), photocopies of Peter's card-index of MHBK members in Belgium, a statement of accounts (original and photocopy), a nearly complete file of Kozponti Tajekortate for 1949-50 and Hadak Utjan for 1950-52, and Peter's report (three pages, original and photocopy).

42. KOVACS appeared visibly pleased with all this, but particularly with the letter from ZAKO, which "explained" the reasons why Peter was not invited to the MHBK Congress (see paras 32 and 38 above). In response to a question by Peter concerning the meaning of "fractionalism", KOVACS launched into a discourse on Marxist ideology which included the following incidental remarks:

- a. in the Spring of 1952, Moscow issued directives to the Party to

ally itself everywhere with social-democrats and bourgeois-progressives (without, however, admitting these into the Party) to drive the Americans out of Western Europe.

b. once the Americans were driven out, the Party would drop the bourgeois elements, who would be of no use in realizing the Party's program, which was, of course, the revolution.

c. when the success of the revolution was assured, the Party would then drop the socialists; this would not be difficult because in the last stages of the revolution, the spectre of the Red Army would be evoked and the revolution accomplished without a shot being fired.

43. KOVACS insisted again that Peter develop his contact with Ferenc EROSS (see para 38), and that he submit a report on the activities and political orientation of all the anti-Communist Hungarian emigre organizations in Belgium.

44. Peter reported that he had subscribed to Amerika Magyar Nepszava, a Hungarian journal published in the U.S., which KOVACS characterized as Trotskyist.

45. The next meeting was set for 10 December 1952.

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