CLASSIFICATION

TO : Chief, EE
Attn:

FROM : Chief of Station, Vienna

SUBJECT: GENERAL— Operational

SPECIFIC— Lajos NADAS and Miklos KORPONAY

Reference— MASW-362; MASA-1518

- 1. On 28 March 1952 we requested 430th CIC to interrogate Lajos NADAS, paying particular attention to his past and present connections with various emigre and intelligence groups. In view of NADAS' past reputation as a member of ZAKO's inner council we felt this step was necessary to determine whether his employment by USFA constituted a security risk. If the interrogation showed that NADAS had made a genuine break with the ZAKO group, we also hoped to reaxemine the possibility of his operational use by this Base.
- 2. Salzburg CIC Report No. 3-13344, dated 27 May 1952, is the result of the NADAS interrogation. We feel that it sheds new light not only on NADAS but also on Miklos KORPONAY and the DYCLUCK/GRUESOME contact with him in the Spring of 1951. The following points in the attached interrogation deserve comment:
 - a. It seems certain that the break between ZAKO on the one hand and NADAS and KORPONAY on the other is genuine. As far as KORPONAY is concerned, his letters (see paragraphs 4 and 5) confirm our general impression that he was acting in good faith in the Spring of 1951, and that under other circumstances he would have been a valuable asset.
 - b. Concerning the MHBK charges against KORPONAY, it is unlikely that either HAMVAS or TRUX could have been responsible for the leak to the MHBK, since neither was aware of any details of our contact beyond the fact that CIC wished to get in touch with KORPONAY. On the contrary the mention of an unidentified "Mr. C" (next to last line on page 29 of the attachment), who from the context appears to be an American, gives rise to the thought that a United States citizen who had access to information concerning our meetings with KORPONAY revealed at least some of the circumstances to a member of the ZAKO circle, possibly Tibor Eckhardt.
 - c. As expected, the interrogation shows that both NADAS and KOR-PONAY have extreme right-wing sympathies, but it also indicates that today both are free-lance agents with no particular ties to ZAKO or any western IS. In short, our main objection to their employment in the past has been removed.

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- 3. Since KORPONAY has already immigrated to Canada and in any case was not ready in 1951 to pursue intelligence activities under our direction, we can only recommend that DYCLUCK keep track of him with the hope that eventually he may be of some use to them in active partisan warfare work. NADAS is, however, in Salsburg and is a man of undisputed ability who might eventually serve us as an able and sorely needed chief agent. Any approach to him would of course be contingent upon establishing strict control over him, and we do not know whether or not he would be willing to submit himself to such control. There is even a chance that he would not be interested in any kind of intelligence work in the hope that he might eventually resume his military career under the aegis of the new European Army. In view of his capabilities and our needs, we feel it advisable, however, to attempt an approach.
- 4. Provisional operational clearance is requested to approach NADAS and determine his willingness and suitability to be recruited as a strictly controlled chief agent. Biographical data keyed to PBQ Part I is included in the attachment. We request an answer by cable.

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