

OFFICIAL DISPATCH

Madrid

VIA: Air

Dispatch No.: WSMA-35

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CLASSIFICATION

To: Chief, FBW

Date: 9 January 1948

From:

[ ]

MICROFILMED  
FEB 28 1963  
DOC. MICRO. SER.

Subject: General:

Specific: Projected Establishment in Madrid of an "Eastern European anti-Communist Center"

Source: W/BC

Reference: WSMA-19  
WSMA-23

1. Attached hereto are verbatim copies of all memoranda handed to me by [ ] concerning the developments in the "Eastern European" matter. In some cases you will find duplication of information, as for instance in the memoranda to the Chargé which may summarize information included in 2 or 3 memoranda to the "Files", thereby omitting some of the smaller details.

2. Mr. SZUMLAKOWSKI has received a letter from Mr. VAJTA in New York, in which he stated that he had already seen Ferenc NAGY, Mr. Bela VARGA and Mr. ECKHARDT. Of these, according to the letter, Mr. ECKHARDT seemed to Mr. VAJTA to be the one who could best cooperate with the "Continental Union". Also, besides the individuals mention in Madr 94, VAJTA, while in Washington, intends to see Foreign Service Officer Franklin C. GONEN, father of Mr. William GONEN who was formerly a C.I.C. officer in Leghorn.

3. The Embassy received a wire from the Department this week inquiring into the circumstances surrounding the granting of a visa to VAJTA. The Embassy has sent a reply to the Department to the effect that up to the date of VAJTA's departure no adverse information was known to the Embassy, and that the Embassy was interested in having his movements watched in the U. S. A. (COMMENT: The first info throwing any suspicion on VAJTA was your WSMW-22, received in Madrid on 22 December 1947, VAJTA left 15 Dec.) [ ] tells me that the Legal Attache has been informed in this matter since the last part of December

4. The following is a list of the attachments to this cover memorandum:

1. Memo dated Nov. 28, 1947 to Chargé (only 1 copy attached to original only.)
2. Recapitulation of Previous Conversations, etc., dated 29.11.47.

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List of attachments continued:

3. Memo "Eastern Europeans in Spain and North Africa" dated December 13, 1947
4. Memo "Eastern European Activities" dated 15 Dec. 1947.
5. Memo "Eastern European Activities; Conversation with Mr. VAJTA and SZUMLAKOWSKI on December 15, 1947", dated 15.12.47
6. Memo "Bad Blood between Mr. SZUMLAKOWSKI and Mr. VAJTA", dated 26.12.47.
7. Memo "Re Conversation of December 19 with Mr. SZUMLAKOWSKI", dated 29.12.47.
8. Memo "Conversation with Mr. SZUMLAKOWSKI of this date", dated 31.12.47.
9. Memo "Conversation of January 5, 1948 with Mr. SZUMLAKOWSKI", dated 5.1.48.

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MEMORANDUM

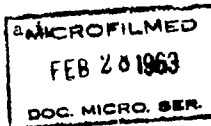
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Madrid, November 28, 1947

TO: Mr. Paul T. Culbertson, Chargé d'Affaires, a

FROM: [ ]

SUBJECT:



On Tuesday, November 25, 1947, I was informed by Mr. Marján SZUMLAKOWSKI, former Polish Minister in Madrid, and Mr. Ferenc VAJTA, a former Hungarian Consul General, both the subjects of my previous memorandum concerning the activity of Eastern European nationals in Madrid, that Monseigneur NYISZTOR, a Hungarian Prelate concerned with their anti-Communist group, had arrived in Madrid the previous Saturday, November 22, 1947. I was invited to meet the new arrival and the introduction took place in Mr. SZUMLAKOWSKI's apartment Wednesday afternoon, November 26, 1947.

Monseigneur NYISZTOR told of his experiences in Rome where he described the situation as extremely precarious for anti-Communist Eastern Europeans, especially Hungarians. He stated that during the last month eight kidnappings of his countrymen had taken place within the confines of Rome itself and that the Russian services were becoming bolder daily. Mr. VAJTA informed me that, according to plan, the three men present had called upon Sr. LOJENDIO of the Spanish Foreign Office to discuss the establishment of the anti-Communist Eastern European Center in Madrid. They did not, at that meeting, draw up a working diagram of the project. This, Mr. VAJTA stated, would be done in the "full dress" meeting with Spanish Minister ARTAJO in the next few days. In the meantime, according to Mr. VAJTA, the Papal Nuncio is contacting Sr. ARTAJO with a view toward disposing him favorably toward the project.

Mr. SZUMLAKOWSKI stated that, upon Sr. LOJENDIO's suggestion, he and Mr. VAJTA had discussed the project with Joaquin RUIZ Gimenez, President of the Instituto de Cultura Hispánica. The latter was interested in the plans and promised his cooperation. Mr. SZUMLAKOWSKI added that this was not unexpected as he knew that Foreign Minister ARTAJO had instructed RUIZ to cooperate.

Mr. VAJTA revealed that Monseigneur NYISZTOR will conduct future negotiations of the "Continental Union", as the group is called, together with Mr. SZUMLAKOWSKI, in as much as he, VAJTA, will leave for Washington during the second week in December. Mr. VAJTA then gave me a report dealing with the history of the Intermarium and its connections with the French and British General Staffs, the birth of the Continental Union and its plan of organization. As the remainder of the conversation concerned that report, it is submitted below:

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Report on the Continental Union in Madrid, prepared by Mr. Ferenc  
VAJTA....

- I. History of the Exile Groups
- II. The Intervention of the United States
- III. The Ratification of the Italian Treaty
- IV. The Continental Union

I.

"The History of the Exile Groups"

A. The Intermarium

In the Spring of 1944, a "Central European Committee" was founded in London under the moral aegis of Mr. CHURCHILL, who had made efforts to unite the most important Eastern European exiles. The goal of this Committee was to create a Confederation of Central Europe. As a matter of fact, the various governments in exile: Czechs, Yugoslavs, and the movements of Hungarians, Bulgarians, Rumanians and free Austrians, met many times to deal with this project but could never agree on the form and constitution of the Confederation. The Czechs were divided regarding the prospects for the future. BENES did not wish to admit that an Anglophile Central Europe had a right to exist. HODZA, the leader of the Slovak people, claimed total independence for his people. General PRCHALA was opposed to BENES, and stated that no dealings could be made with the Russians. Among the Yugoslavs, there were also great divergences of opinion, and thus, the Churchill plan was a failure.

Among the Hungarians, Count KAROLYI was of the same opinion as BENES: without the Russians, Central Europe could not be organized. The Rumanians and the Austrians counted very little, and thus, when the Yalta Conference later gave all of Central Europe to the Russians, Churchill renounced his previous plans.

The Central European Committee lost all its importance when, after the end of the war, the Russophiles and those who believed in the compromises, returned to their countries. In London only the "reactionaries" were left, that is, only those who did not wish to admit any compromise with the Russians. The Czech PRCHALA, BATA, the Rumanians GAFENCU and BUZESTI, the Slovene EREK, the Croats KRNIJEVIC and JELIC, the Serbs NINTCHIC and PRIBICEVIC, and some Bulgarians were the only ones who did not play the traitor to their idea and their protectress, England. The others, BENES and SUBASIC, for example, upon returning to their countries, did not desire an Anglophile orientation, and rather, made their peace with the Russians.

CHURCHILL doubted no more that the Anglosaxons had definitely lost the Second World War, but he was sure they could win the Third. He knew also, that it was of great importance to hold in the British orbit the rest of the exiles and he therefore gave strong moral support to the Poles who, seeing the impossibility of an understanding with the Russians, decided to remain in exile.

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The ideological leadership of a Confederation of Central Europe was no longer sufficient, when there were 16 peoples to consider. It was necessary to find a wider base and to place the strongest exile group--the Poles-- at the head of the movement.

Thus the Intermarium was founded, which certainly represents a great and a practical idea: the union of the 16 countries of Eastern Europe against the Russians and the Germans. Its goals were:

- a. Establishing a political league against Bolshevism;
- b. Materially aiding all the exile groups and attracting them into the "British circle";
- c. Performing counter-espionage against the Russians.

The Intermarium would have been able to play a very important role in European politics had CHURCHILL not lost the elections in June of 1945. But with his fall, the Intermarium lost the material and necessary support for its goal and its existence. It is true that the Polish General Staff of General ANDERS' and the British General Staff lent its support later, but this military aid was not sufficient.

After the arrival of the Labor Government to power, the Intermarium leaders "decentralized" themselves between Paris, London and Rome. Because Rome was the seat of the Polish army and the Italian government, the majority of the exiles reassembled there.

General PRCHALA remained with the Croats KRNEVIC' and JELIC, and the Pole ZALESKI' and others in London. NINTCHIC installed himself in Paris where other exiles had arrived in the meantime. MACEK and his deputies, ZVETKOVIC' and the Serbian generals adhered, after hesitation, to the Intermarium. In Rome Miha KREK' took charge of the Intermarium club, together with the Serb PRIBICEVIC, the Croat FERNAR' and the Lithuanian LOZORAJTIS.'

The Poles, such as JANIKOWSKI' and JANKOWSKI, in pursuing their imperialistic goals, committed a grave error in reconstituting the cadres of the Intermarium: they wished to assure the total predominance of Poland in the face of the other 16 peoples of the East. Many other exiles, who did not wish to lose their independence, have never recognized the authority of the Intermarium and boycott its work. The Hungarians, the Slovaks and the large Croat party did not wish to admit the goals of that organization and above all did not wish to ally themselves with the British.

The Intermarium has remained incomplete, from the standpoint of politics and of personnel composing it. However, in the sad years of 1945 and 1946, it was the only organization of international character with the means and the men for combating the Russians.

The British also founded Masonic Lodges to reinforce their political hold on the exiles and, at the same time, established Lodges in the occupied countries to attract the most eminent leaders of the Balkans.

B. The Union

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#### B. The Union of Christian People

De Gaulle, who was in exile all during the war, did not wish to forget the lessons of British policy upon his return to his own country. He wished to create a stronger exile center in Paris than the one in London. In continuing the old French imperialist policy, he wished to control Eastern Europe. He naturally worked from another base than the British: he wished above all to employ the factor of Catholicism.

In order to gather important personalities, his General Staff had orders in Germany and in Austria to collect all the politicians of Eastern European countries who, in the judgment of French services, would one day become the leaders of their countries.

Thus France set herself against the British and against the Americans. The latter did not then understand the danger of Communism and organized a veritable manhunt against the exiles--accepting the Russian thesis that those who had fled (Russian occupation) were perforce Nazis. This error greatly aided the French and the British in being able to offer asylum to the most important Balkan personages. The thought of General DeGAULLE was to collaborate with the Church and to be sustained by the Vatican in the struggle for the Europe of tomorrow. He knew too well that France alone was not strong enough to play the heavy cards.

His officers were not all in accord with his ideas. The majority of the General Staff wished to continue collaboration with the British and did not believe in the efficacy of collaboration with the Vatican.

After the fall of the General, the Socialists sabotaged that imperialist policy, but finally, they were forced to admit that deGAULLE had been right and, toward the month of May 1946, they took up the idea of the General. But this time it was not only the officers of the General Staff, but the Parisian Free Masons, who wished to fight with the British and the Americans. Their game was too childish and the Vatican retired from the circle of French interest (September 1946)

The Union of Christian Peoples, which is some sort of French Intermarium did not have any concrete ideas: it was inspired from Catholicism but it was composed in great part of Free Masons. Only two great Prelates had adhered to this movement: the Archbishop of Lithuania and the Bishop of the Ukrainians. Its President and its promotor is Paul REYNAUD.

#### C. The Continental Union

In seeing the faults committed by the two preceding organizations, the Continental Union did not wish to sell itself to anyone and, above all, it did not wish to become the tool of any General Staff.

The conversations to create a new organization began in the month of July. There was not a great choice of human material as most of the figures collaborated either with the British or the French. But, at least, it was desired to choose the best men and those compromised the least, and those who, above all, could disentangle themselves from their former connections.

The Continental Union, that is to say, the men who founded it, did not dispose of the necessary funds to create a large and strong organization, and today, while the Russians work with millions in their hands, the former have come to nothing but "café conspiracies" or academic discussions. Besides, they have decided not to undertake anything until they disposed of important funds for work on a large scale.

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We have had some interviews with American circles, but aside from a live interest, we have secured nothing more. The exiles are too poor, and the formerly wealthy families do not control their funds for such an organization as the Continental Union should be and will need for its end.

The idea of a union of the peoples of the European Continent, with the exclusion of England and of Russia, have aroused lively interest in all the exile circles, but nothing has been so far possible due to the lack of funds and secondly, to the ratification of the Italian Treaty.

## II.

### "The Intervention of the United States"

A. American policy underwent a great change in the first months of 1947. The U. S. began to interest itself in the problems of Eastern Europe, and after recognizing the danger of Communism, they have given a tone and a more concrete form to European Policy. The flight of Ferenc NAGY, the foundation of the "Internationale des Paysans", and the entry into play of American services, are principal factors of the new European evolution.

But, alas, we must make clear that, aside from the latest decisions of American policy, there has been no more than good will. This is what led Washington to great errors after the Armistice: the lack of experts and of specialists has had gloomy consequences. America did not wish to serve "European reaction"—that is just—but it should have at least chosen men in whom to confide the direction of anti-Communist propaganda and policy.

### B. European Reaction

The reaction of the great masses of exiles was very good toward the historical speech of President Truman, and to the anti-Bolshevist decisions. America regained its popularity in Europe, and today everyone has forgotten the faults committed by its Armies of Occupation. "Martyrs" are again spoken of, but the U. S. is not accused. In general, one can state that the peoples of Europe are more favorable to American action than to that Anglo-French action. But—

The French and British General Staffs, the policy of Paris and of London, has regrouped behind the same facade. After the U. S. put itself at the head of the anti-Communist campaign, the French and British got together. Their General Staffs, yesterday merely parallel in action, today seek a united action not only against Communism but also against the U. S. They know that they are powerless against the Russians, but they also know that they have some very strong cards to play against American intervention.

The most important meeting of that type was the visit made by Richard CROSSEANN to General BETHOUARD in the month of August 1947. It was made clear that the silent struggle would become more spirited and stronger. The news from Paris and London, which I have transmitted some time ago, demonstrate that they have prepared a very strong attack. For the moment we are not in a state of preparation, but a spectacular action can be counted upon, especially to demonstrate: (a) that the chiefs of the

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exiles are Anglo- or Francophiles, (b) that France and England have the largest numbers of exiles at their disposition.

The return of DE GAULLE from the shade will naturally aid the French and British in this game. The General has saved the lives of some of the exiles and they are full of gratitude.

B

C. Russia in the face of the exiles

It is quite certain that, among the new refugees who have left their countries, there are many Russian agents provocateurs. The popularity of NACI and of DIMITROV is known to the Russians. They know well that in their own countries they do not count. For the Russians, only European organizations are dangerous, which is to say that they expect strong counter-attacks. America is a problem for counterespionage, but Europe is the veritable battlefield, and the Russians prepare here to fight against us, and against all those who fight them here (in Europe).

### III.

#### "The Ratification of the Peace Treaties"

A. The Italian Battlefield

It has been lost due to the ratification of the Italian Peace Treaty. Italy is completely undermined by the Russians, and these organizations (we speak of) cannot be founded there as they would be at the mercy of the Reds. Italy is now interesting only from the standpoint of counterespionage.

B. Paris and its activity

Although France is passing through grave times, its General Staff has reacted to the American tentatives for the creation of an anti-Communist front. It has gather on the scene all the men who worked with DE GAULLE in the realization of his plans. Innsbruck and Baden-Baden were veritably inundated with agents of the "Eastern European Section", and the French, on October 13, created a special bureau in Vienna to counteract the "man hunt" against the more important exile figures. The dates concerned with French Eastern Policy are:

|                |   |
|----------------|---|
| August 4, 1945 | General DEGAULLE gave the order to save all emigres of importance who took refuge in the French Zone of Occupation. |
| November 1945  | Through certain Church personalities, the General Staff contacted the Hungarian Middle Class leaders                |
| January 1946   | Horia SIMA founded a Rumanian clandestine movement  |
| July 20, 1946  | With six other persons I founded a "Hungarian Patriotic Front"  |
| August 1946    | The Croatian and Serbian General Staff contacted the French   |

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September 1946



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|----------------|--|
| September 1946 | The French General Staff created a Rumanian Center and entered into relations with GAF&NCU.  |
| September 1946 | The French General Staff proposed to organize an "Eastern European Institute" .  |
| December 1946  | The French General Staff reinforced its relations with OTTO of Hapsburg.   |
| January 1947   | The French General Staff, through Cardinal TISSERAND approached the Vatican for a secret collaboration to "save European heritage".                      |
| February 1947  | The French General Staff begins to work in Italy to bring important exiles to Paris. It also contacts Hungarian socialists.                              |
| March 1947     | Paris creates a special Eastern European organization composed of three sections: Political and Economic, Military, Religious and Cultural. and Ireland. |
| June 1947      | Paris decides to devote its attention to Spain/  |
| August 1947    | Paris enters into relations with London (the meeting between the British Intelligence Service and the French Second Bureau-Section B. Doc.)              |
| September 1947 | Bermans enter French service.  |

#### C. England before Reality

The Laborists have lost three important years of work due to their internal hesitations and contradictions, and above all because of the lack of understanding concerning the affairs of Eastern Europe. They played the traitor to MIK ILOVICH and to the Hungarian SZUGYI, and to Croats and Poles. Now they wish to regain all their lost positions in a single step. The British Intelligence Service has had little influence in the last two years, now it is again at work and is working marvels. But they were stopped by BEVIN in January of 1946, and this is the only reason they are now forced to work with the French. They lost 18 months of hard work. They specialized during this period on economic intelligence, but as always, political intelligence is important, and BEVIN did not wish to risk everything at once. As they are not new men with new ideas, they have continued with the Internarium. When Enbland feels herself behind, the others, she becomes cruel and she is a great menace for all the exile organizations.

The British, as the French, wish to play the cards of the former Hungarian, Serb, Croat, Polish and Slovak armies. Therefore, the British Intelligence Service is at present organizing "work groups" in Austria and in Germany and wish to transport the remains of the national armies to England. According to the British point of view, these small armies can be decisive if tomorrow they can liberate the continent of Europe. Through these little General Staffs the British can then dominate the countries and regain their lost influence.

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IV.

The Continental Union in Madrid

The exile center in Madrid will be able to play a very important role in the future of European politics.

The reasons:

- a. The menace of civil war will make the exiles flee from France and from Italy, and once here, they can be taken in hand, because the French and British will not be successful in the establishment of centers in Madrid.
- b. Spain will not attempt to influence the work of the exiles.
- c. A very important center can be created here with more freedom than in Paris or Rome.
- d. Madrid will be linked with Washington.

Its Organization

In our conversations and discussions we have encountered no difficulties except in places where the French and British have been more vigilant. In the meanwhile, through the arrival of Monseigneur NYISZTOR, will create an atmosphere of reciprocal confidence. (Embassy note: "between the Continental Union and the Spanish authorities" is meant here).

In this atmosphere, we must--before the French and British understand the "why"--:

1. Bring here as soon as possible all important exile figures
2. Make Madrid the "Capital of the exiles"
3. Create a political bureau under the direction of Mr. SZULAKOWSKI
4. Create an information center with our agents in London and Paris and in Germany and Austria in order to be informed on the movements of our "friends"
5. Create a scientific center to cover our real work
6. Obtain funds as our group will be guaranteed independence from the Spaniards.

What Work Washington Ought to Do

1. Create direct relations with the center in Madrid.
2. Reorganize quickly the "Anti-Communist International" with elements more trustworthy and capable than NAGY and MIKOLAJCZYK.
3. Establish detailed and concrete plans for maneuvers in the European field, after having understood the opinions of all those interested.
4. Create a special center for information on exiles.
5. This center should be independent of politicians and should coordinate the forces and tentatives which may be contradictory.
6. Assure the collaboration or the neutrality of all good men.

The Intermarium

- W/N
- A. Political Section--in Rome directed by JANIKOWSKI, Minister of Poland  
--in London directed by BRZUCHALA and KRZEWIC  
--in Paris, directed by JANKOWSKI and PONIATOWSKI
  - B. Counterespionage Section--in Rome, directed by MIS KIZYN (Embassy note: formerly spelled MISJUK) --in London, directed by ZABA or ZABOS;--in Paris, directed by NADAS.

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C. Membership

Poles:

PONIATOWSKI (sold to the French) is in Rome and Paris  
JANKOWSKI (Pro-British or principle) in Rome  
JANKOWSKI (Pro-French) in Paris and London  
PAPEE (Monsr. is independent) in Rome  
LUBIENSKI (Count. Member of British Intelligence Service) in Madrid  
ROZTVOROVSKI (same as LUBIENSKI) in Buenos Aires  
ANDERS (General. British Mason) in London

Hungarians:

NADAS (pro-British) in Paris  
STOMFAY STITZ (compromised by the French) in Paris  
TELEKI (Count. pro-British) in Graz and London  
APOR (Baron. sold to the French) in Rome  
RONAY (member of French Secret Service) in Paris, Innsbruck & Rome  
AUER (French Mason) in Paris  
VASVARY (member of British Intelligence Service) in Paris, London  
and Graz  
DESEWFFY (pro-British but works for the Soviets) in Paris  
VORULE (pro-British) in Rio de Janeiro

Slovenes:

KREK (sold to the French and British) in Rome, Washington and Paris  
NOVAK (pro-American) in Rome

Slovaks:

SIDOR (anti-British, pro-American) in Rome  
HRONSKY (independent, pro-American) in the Vatican

Croatians:

KRNIEVIC (British Mason) in London  
JELIC (member of British Intelligence Service) in London  
DRAGANOVIC (sold to the French) in Rome  
BABIC MIHA (anti-British) in Buenos Aires  
JURETIC (independent) in Fribourg, Switzerland  
KACEK (British Mason, but independent) in Washington  
PERNAR (British Mason) in Rome and Paris

Serbian:

ZVETKOVIC (French Mason) in Paris  
PRIBICEVIC (British Mason, but pro-American) in Rome  
NINTCHIC (French Mason) in Paris and London  
DRAZANOVIC (member of French Intelligence Service) in Paris,  
Salzburg and Rome  
POTICH (French Mason) in Paris and Washington

Czechs: FRCHALA (hesitant) in London

Lithuanians: LOZORAJTIS (independent) in Rome

Estonians: LEPIK (compromised by the British) in Rome

Bulgarians: CZANKOV (independent but pro-French in France

POPOV (independent, once compromised by the French) in  
Paris and Innsbruck

Rumanians: GAFENCU (British Mason, collaborator of French Intelligence  
Service) in Geneva and London

BUZESTI (pro-British) but independent) in Washington

Finnish: ONNI TALAS (pro-American) in Rome and Paris

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MK 11/1  
The Polish, British and French Intelligence Services are behind this  
organization."

End of report by VAJTA

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November 29, 1947

RECAPITULATION OF PREVIOUS CONVERSATIONS WITH MR. VAJTA  
and MR. SZUMLAKOWSKI CONCERNING THE EASTERN EUROPEAN  
ANTI-COMMUNIST CENTER IN

MADRID

MICROFILMED

FEB 28 1963

DOC. MICRO. SER.

Chronology of Dates:

October 6, 1947

First notice from Mr. Fondred (Commercial Section) of the arrival of Mr. VAJTA in Spain and of the intentions of Mr. SZUMLAKOWSKI and Mr. VAJTA to form the "Continental Union" anti-Communist center in Madrid with other Eastern European exiles.

October 27, 1947

First personal meeting with Mr. SZUMLAKOWSKI and Mr. VAJTA, socially. Mr. Francois MAROSSY, said by Mr. SZUMLAKOWSKI to be in the pay of British Services, was also present. Nothing discussed of importance to their establishing a "Continental Union."

November 1, 1947

Meeting, with tea, etc., at Mr. SZUMLAKOWSKI's apartment, at the latter's suggestion, to discuss the establishment of the Continental Union and to discuss the anti-Communist aspect of their work. Both men gave reports on British and French influence among Eastern European exiles in various European cities. Mr. VAJTA gave me a report on such activity, which was incorporated into Embassy Despatch No. 4313 of November 13, 1947. Both men mentioned various Soviet agents at work in Spain.

November 4, 1947.

Mr. VAJTA called at the Embassy on this date to supplement information in his report, previously mentioned. He left me a copy of his new book, published in Italy this Spring, "The Danubian Confederation." He told of the expected arrival in Madrid from Rome, of Monseigneur NYLSZTOR, Hungarian Prelate in the Vatican, to lead discussions with Spanish officials concerning the Continental Union. He also left two reports with me, entitled: "Union Continentale" in French, and "History of Emigrations" in English. He gave me a list of ten alleged Soviet agents in Spain, and one in Tangiers, explaining what was known concerning each.

November 14, 1947

Both Mr. VAJTA and Mr. SZUMLAKOWSKI called at the Embassy to supplement previous information and to reveal that Foreign Minister ARTAJO had informed Sr. LOJENDIO to cooperate with the Continental Union and not the Internarium, as the latter was under French and British influence and

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included Free Masons in its membership. Mr. VAJTA added information on the activity of the Soviet agents referred to above

November 18, 1947

Mr. VAJTA called alone at the Embassy to say that Monseigneur NYISZTOR, Hungarian Prelate at the Vatican, and a friend of the Continental Union, would arrive in Madrid on Sunday, November 23. He also stated that Sr. LOJENDIO had instructed Sr. Joaquin RUIZ Gimenez, President of the Instituto de Cultura Hispánica, to cooperate with the Continental Union and not the Intermarium. Both Mr. SZUMLAKOWSKI and Mr. VAJTA had a discussion with Sr. RUIZ Gimenez, who seemed cooperative. They added that he had an informal group of Eastern Europeans around him, and had hoped to found an Eastern European "Institute" for the University of Santander. Mr. VAJTA stated that one Georges KIDEDI, member of the group, was a Soviet agent, having been involved with Peter BALASSA, a Hungarian recently expelled by the Spanish Police to Tangiers for transmitting reports to the Soviet Hungarian government with a radio transmitted in Madrid. This transmitter, the property of the former Hungarian government in Madrid, had been confiscated. BALASSA is now the Tangiers agent, he stated. Mr. VAJTA added that a conversation was arranged for Monseigneur NYISZTOR and Foreign Minister ARTAJO.

November 25, 1947

Mr. SZUMLAKOWSKI and Mr. VAJTA called to state that Monseigneur NYISZTOR had actually arrived on Saturday, November 22nd, and suggested that I meet him. I suggested that the meeting take place outside of the Embassy and it was agreed that Mr. SZUMLAKOWSKI's apartment would be fine.

They both added that Monsgr. NYISZTOR had seen Sr. LOJENDIO briefly, and that LOJENDIO, Msgr. NYISZTOR, VAJTA and SZUMLAKOWSKI would have a full-dress meeting within a few days. I informed them that we were following the course of events with interest but that we could not encourage any of their plans. They stated that they realized that it must be all quite new to the Embassy, but were a little surprised that our Rome Embassy had not informed us of events there. They again mentioned the conversations held with Mr. Edward Page Jr., First Secretary of our Rome Embassy, and with Mr. Franklin GOWEN, of the Political Adviser's Office for the Mediterranean Forces. Mr. VAJTA is, apparently a good friend of the latter, and will bring me all the letters he has received from GOWEN. It was through GOWEN that Mr. VAJTA was able to escape from Italy for Spain.

They added that Msgr. NYISZTOR is obtaining the aid of Monsgr. CICOGNANI, the Papal Nuncio, who is disturbed that the Intermarium group is so infiltrated with Masonic elements, and some Soviet agents, and is controlled to some extent (according to VAJTA) by the British and French General Staffs and intelligence services.

November 26, 1947

An afternoon meeting was held in Mr. SZUMLAKOWSKI's apartment between Mr. VAJTA, Mr. SZUMLAKOWSKI, Monseigneur NYISZTOR and myself. The Msgr. told of the increasing difficulty in Rome, of continuing anti-Communist work, and stated that eight Hungarians had been kidnapped recently.

from the center of Rome itself by Soviet Intelligence agents. Mr. VAJTA stated that Msgr. NYLSZTOR's arrival to undertake the direction of negotiations with the Spanish Government had greatly added to their forces and had upset the Intermarium group. He added, with a laugh, that Mr. MAROSSY, who they state reports to either Douglas HOWARD or to Mr. THOM (British Intelligence Service, Madrid) had tried to persuade Msgr. NYLSZTOR that Madrid was of no importance and not worth establishing a Continental Union Center in.

Mr. VAJTA gave me a long report on the Continental Union and its hopes, as well as a membership list of the rival Intermarium organization. This report is attached and dated November 28, 1947.

November 28, 1947.

Mr. VAJTA called at the Embassy at Mr. SZUMIAKOWSKI's behest in order to inform me of an interesting new development. The Intermarium group is becoming active, he stated. General ANDERS, former Polish General of the Polish Mediterranean forces in Italy, had sent Spanish Foreign Minister ARTAJO a letter mentioning Madrid as a likely place for the establishment of anti-Communist activity in Europe, and enclosing a book of his. This letter caused quite a flurry in the circles close to ARTAJO. Sr. LOJENDIO informed Mr. VAJTA and Mr. SZUMIAKOWSKI later that, as a counteracting measure, Sr. ARTAJO had received a four-page strongly-worded letter from Monseigneur CICOGNANI, the Papal Nuncio, saying that the Intermarium should not be supported by the Spanish Government due to its British and French controlled elements and to its inclusion of Free Masons (British and French Lodges) members. He praised the Continental Union, and stated that Monseigneur NYLSZTOR, as a great Churchman, would lend great prestige to the Continental Union and its activity in Madrid. Mr. VAJTA STATED THAT AFTER ARTAJO returns from the Mariana Congress in Barcelona in a few days, the Papal Nuncio will send him an energetic second letter on the same theme.

Mr. VAJTA also stated that Count LUBIENSKI, a friend of ERICE, Director General of Foreign Policy, and a Polish pro-British member of the Polish colony in Madrid, had called upon ERICE to influence him to accept a union of the Intermarium and the Continental Union in Madrid, with Spanish coordination of their joint efforts in anti-Communist work. Mr. VAJTA informed Sr. LOJENDIO, who had told him of the above, that such an idea was unacceptable to the Continental Union. Sr. LOJENDIO, according to Mr. VAJTA informed Sr. LOJENDIO, who had told him of the above, that such an idea was unacceptable to the Continental Union. Sr. LOJENDIO, according to Mr. VAJTA, found this answer a good one, and apparently agreed with the VAJTA thesis that the Intermarium should be subordinated to the Continental Union, with only a few of the former's members joining the Continental Union. Mr. VAJTA stated that he wished only those persons "uncompromised" by Masonry and the French and British to be members of the Continental Union.

Mr. SZUMIAKOWSKI, who came in to this meeting late, stated that Cardinal MONTINI, Papal Secretary of State, was arranging for Monseigneur SIDOR, pro-American and pro-Continental Union, to leave the Vatican (where he had taken refuge from Tito and the Russians) and to come to Spain.

~~SECRET~~

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Mr. VAJTA added that one of the Soviet agents, C6za LESZAK, who arrived in Spain from the Russian zone of Austria with a stolen patent (chemicals) to establish a commercial cover for espionage in Spain, had been expelled from the Colegio Santiago Ap6stol, where he had been residing. This was done, he added, on Sr. LOJENDIO's orders. LESZAK, according to both members, was called for by a tall man in a grey Dodge or Chrysler with a CD license plate. They suspect the French Mission.

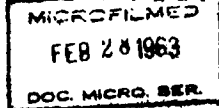
Mr. VAJTA finished by saying that he would give me all the letters he had received from Mr. GOWEN, and that also he would give me a list of the members of the Continental Union, some 40 names. There would be included those Eastern Europeans in several European cities who were favorable to the Continental Union, together with the present whereabouts of each.

~~SECRET~~

WSMA-35

[ 9 Jan. 48 ]

SECRET



December 13, 1947

To: Files

From: [ ]

Subject: Eastern Europeans in Spain and North Africa

IP

On December 8, 1947, while in Tangier, I discussed the problem of Eastern Europeans as regards Spain and North Africa with Mr. Robert G. Caldwell, Jr., Attaché of the American Legation at Tangier. On reviewing several of the names of suspected Soviet agents, which were given to us by Mr. Vajta and Mr. Szumlakowski, it developed that among the former names, that of Andre FISCHER, residing at 21 Rue Dr. <sup>led</sup> Fumey, Tangier, was known to them as being connected with a commercial enterprise in the International Zone. What most interested them, however, was the news which they had received from British sources that the Bulgarian DIMANOFF and his colleague, KEFSISSOF (the latter is apparently still under arrest in Germany) have business connections in the International Zone.

There appears to be a large group of Eastern Europeans in Tangier and quite a few White Russians. The latter, when approached in some manner by the Russians to accept new Soviet passports, in a great part accepted them. Mr. Caldwell stated that in Casablanca about one third of the White Russians residing there accepted the new Russian passports.

A certain Madame SABINI (phonetic), who is a member of the Zone Administration, is reputed to be a Soviet agent. Her husband is <sup>cd</sup> White Russian and has a great deal of money.

The Legation at Tangier was interested in the VESZI affair and stated that they received the names of incoming and outgoing air travelers, but that to find his name without knowing the exact date of his arrival would be difficult. They wished that the information which we have regarding DIMANOFF-KEFSISSOF connection with a Stockholm business house and the latter's connections (by virtue of one of its officials) with the Soviet Embassy in Stockholm be sent to them. In addition, if we sent them, through our attached agency facilities, the names of the Madrid group, which I gave Mr. Caldwell at that meeting, they will transmit the known information which they have.

They are acquainted with the case of BALASSA (alias BENDER) but have no evidence of his being in the International Zone.

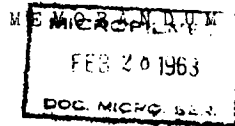
att 3  
WSMA-35

They are extremely anxious to cooperate in exchange of information and expressed themselves as willing to undertake any special <sup>9 Jan 48</sup> investigating tasks of interest to them and ourselves.

SECRET

Attachment No. 3 [ ]





24

15 December 1947

To: Files

From: [ ]

Subject: Eastern European Activities

On Saturday, December 13, 1947, Mr. SZUMLAKOWSKI asked me to call at his apartment in order to discuss the agreement which has been reached between the leaders of the Continental Union in Madrid and the Spanish Minister of Foreign Affairs.

Their discussion with Spanish officials was attended by Señor LOJENDIO of the Spanish Foreign Ministry, Señor RUIZ Gimenez, and Señor SANCHEZ Bella of the Spanish Cultural Institute on the one hand and Mr. SZUMLAKOWSKI, Mr. VAJTA and Monseigneur NYISZTOR, representing the Continental Union on the other hand.

The following points were agreed to:

1. As of December 12, 1947, the Spanish Government will "officially tolerate and silently aid" the Continental Union and its activities.
2. The contacts between the Continental Union and the Spanish Government will be maintained as follows:
  - a. Political
    - (1) Counter-espionage; with Señor Lojendio
    - (2) Travel Control; with Señor Lojendio
  - b. Cultural: with Señor Ruiz Gimenez  
with Señor Sanchez Bella
3. The Intermarium will not be encouraged by the Foreign Ministry.
4. The opinion of the leadership of the Continental Union will be sought (through Señor Lojendio) as to the granting of Spanish entry visas by Spanish consuls abroad to Eastern European nationals.
5. Likewise, the Foreign Ministry will cooperate with the Continental Union whenever the latter asks for the entry of persons essential to the Madrid Continental Union group.
6. In exchange, the Spanish Foreign Ministry will receive from the Continental Union reports on known or suspected Soviet agents in Spain and those whose activities concern Spain.

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Attachment no 4

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7. The Spanish Cultural Institute will "silently support" the publishing of a bulletin by the Continental Union in English and in Spanish. Details of the work are to be settled later by the Spanish representatives, indicating that financial support for the publication would be forthcoming.

In conversation with RUIZ Gimenez and SANCHEZ Bella, it was promised by them to expel Mr. KIBEDI and Mr. TARNOWSKI from the little group of Eastern Europeans which RUIZ Gimenez had gathered around him.

Mr. ZSUMLAKOWSKI again mentioned his student committee, consisting of one Pole, one Slovak and one Ukrainian. The latter apparently has contact with an organization of anti-Moscow Ukrainians, existing in the Ukraine with branches in other Soviet republics, and he may be able to supply useful intelligence. If the chain works, information on conditions inside Russia could be received here in Madrid. This organization with which he has contact is linked up with the Banderovici, the Ukrainian army which recently fought across 1200 miles of Europe from the Ukraine to the American Zone of Germany and which is now in Germany.

Mr. SZUMLAKOWSKI also has another collaborator, Maria ENESCO, Rumanian Peasant Party leader who was an associate of BUZESTI (now in Washington with other Peasant Party leaders). ENESCO still maintains contact with the remaining Rumanian underground and is aided in this by Dr. USCATESCO.

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Mr. VAJTA mentioned the Hungarian Beneficent Fund, a sum of approximately 400,000 ptas, belonging to the Hungarian Catholics, which was used before the Russian occupation of Hungary in 1944. Unfortunately, this fund got into the hands of VESZI, the alleged Communist and associate of BALASSA. However, the Papal Nuncio has taken the Spanish Foreign Office to task about this, with the result that on Saturday, December 13, LOJENDIO took measures to block this fund. The money will then pass to the control of the Papal Nuncio and from the Papal Nuncio to Monseigneur NYISZTOR. LOJENDIO stated that arrangements may be completed shortly after the first of the year.

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MEMORANDUM

*ZP*

MICROFILMED  
FEB 28 1963  
DOC. MICRO. SER.

15 December 1947

To: Files

From: [ ]

Subject: Eastern European Activities; Conversation with Mr. VAJTA and SZUMLAKOWSKI on December 15, 1947.

Mr. SZUMLAKOWSKI and Mr. VAJTA called at the Embassy this morning prior to Mr. V-'s departure to the United States on the afternoon (Dec.15) TWA plane. They again mentioned the SZANTHAY affair, which has not been disclosed before in these memoranda but which is as follows:

According to both V- and S-, Colonel SZANTHAY, as former Hungarian Military Attache at Madrid, left a sum of 680,000 pesetas in the hands of his friend, a White Russian, naturalized Spaniard, by the name of SANZ ORLOFF. SZANTHAY has refused to give up this money to the Continental Union in an apparent connivance with SANZ ORLOFF. There are differences of opinion between S- and V- as to the reasons. S- maintains that ORLOFF will not release the money as long as SZANTHAY is under a house-arrest at the behest of Allied Authorities. V-, on the other hand, has maintained that both of these men are in agreement and that SZANTHAY really hopes to take the money with him and flee to Buenos Aires and join a group of pro-German Europeans connected with the so-called Fascist International in Argentina.

The lawyer of SZANTHAY addressed the Embassy a few days ago, asking if the case of his client was being cleared up and if he could dispose of his (SZANTHAY's) property. The Embassy could not, without British consent, say "yes", so the lawyer was informed that the case was being studied. To secure British consent would reveal the fact that we are aware of what is alleged as British support of the Intermarium group of Eastern Europeans.

However, Monseigneur NYISZTOR has been very harsh with SZANTHAY, and, according to S-, SZANTHAY was supposed to sign over his claim to the funds today. It is not clear yet whether this was actually done, but S- revealed that SZANTHAY has given 10,000 pesetas to Monseigneur NYISZTOR today and has two checks to the value of 200,000 pesetas to deliver to Monseigneur NYISZTOR in a few days. Further developments in this respect are awaited.

Monseigneur NYISZTOR, who is now at the Hotel Mayorazgo, will, after two weeks' time, go to live at the Consejo Superior on Serrano.

Mr. V- in his trip to New York carries with him letters from the Papal to the latter's brother, Monseigneur CICOGNANI, Papal Nuncio in Washington, and a card from a Jesuit priest, Father McCormick (who is apparently in Madrid), to serve as an introduction to the Jesuit priest,

*att 5*  
*WISAIR-35*

*9 Jan 48*  
*Attachment no 5*  
[ ]

Father LaFarge. Father LaFarge is expected to arrange for an interview between V- and Cardinal Spellman. V- also has the address of Lt. Col. Hoffman, Asst. Military Attache, and will contact him at New York at the Knickerbocker Club. Col. Hoffman is expected to introduce V- to War Department circles. V- also intends to call on Mr. ECKHARDT, the head of the Hungarian Monarchists, MACEK, the leader of the Slovaks, Mr. BUZESTI, leader of the Rumanian Peasants, and other esteemed Europeans. He is still cautious about seeing NAGY, the former Prime Minister of Hungary, now in Washington, as he states that many Hungarians consider NAGY as a collaborator of the Russians. His most important contact will be, from the standpoint of particular interest to Europeans, with Mr. Bela VARGA, a Hungarian and former member of the Hungarian Parliament. It is expected that he will also see KREK, who he stated was helped by Mr. PAGE and Mr. GOWEN in Italy, in reaching the United States.

Before leaving, V- left a report dated October 8, 1947 covering the details of his trip from Italy and his subsequent activities in Spain. This report was to have been delivered to GOWEN but V- was informed that we could not agree to sending it through the pouch and he reported that it was all right--that a copy would reach Mr. GOWEN by other means.

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WSMA - 35

9 Jan 48

[ ]

MEMORANDUM  
MICROFILMED  
FEB 28 1963  
DOC. MICRO. SER.

26 December 1947

20

To:

From:

Subject: Bad Blood between Mr. SZUMLAKOWSKI and Mr. VAJTA

Mr. SZUMLAKOWSKI called upon me Friday morning, December 26th, to report a new development, the possibility of which I had more or less guessed for some time. It seems that Mr. SZUMLAKOWSKI has discovered that VAJTA had not, as he had claimed, paid the hotel bill for Monseigneur NYISZTOR. I recall a conversation in my office between Mr. SZUMLAKOWSKI and Mr. VAJTA the day that the latter left for the United States, during which VAJTA became very incensed when he heard that SZUMLAKOWSKI had indicated to me that Monseigneur NYISZTOR had to give money to him (VAJTA). VAJTA said "No, Mister Minister, that is not so! I had to pay for the last two weeks' of Monseigneur NYISZTOR's hotel bill at the Hotel Mayorazgo. It is the other way around." In any event, the hotel bill was not paid and, according to SZUMLAKOWSKI, the good Monseigneur has had to pawn some of his gold buttons and two diamonds in order to pay his bill. SZUMLAKOWSKI is very upset about this and believes that VAJTA told a deliberate lie in my presence. I then recalled another incident which further reveals both that VAJTA did some tall talking to other Eastern Europeans here and that SZUMLAKOWSKI is perhaps becoming aware of this; namely, VAJTA is supposed to have told Monseigneur NYISZTOR that although he was paying in dollars for his plane ticket to New York, that I would repay it to him. When SZUMLAKOWSKI told me that on the morning VAJTA departed for the United States, I told him that it was not so and recalled to him the many times I had said that neither the Embassy nor myself was prepared to spend any money in relation to this group. When VAJTA came in later in this conversation, it was Mr. SZUMLAKOWSKI's attempt to bring that question up which brought forth the story about who was paying whose hotel bill; consequently that particular "story" was never directly discussed between SZUMLAKOWSKI and VAJTA, although they became quite heated in their conversation.

SZUMLAKOWSKI then said that when VAJTA arrived in October, he brought with him stories that GOWEN in Italy had been paying him \$500 per month. (It will be recalled that VAJTA lived with GOWEN in Leghorn during the summer.) Furthermore, SZUMLAKOWSKI added, VAJTA stated upon arriving in Spain that a person in C.I.C. was to come here to meet him or that he would be contacted in some way and the organization of his group would go on as before. Hence, SZUMLAKOWSKI went ahead with this small group that surrounds him, consisting of the Pole LOBODOWSKI, the Ukrainian KARMANIN, the Croatian student and the Rumanian ENESCO. They wrote certain reports and gave them to him. Upon VAJTA's promises of American aid, SZUMLAKOWSKI paid out of his own pocket, sometimes 50 ptas. here, 100 ptas. there, to the students and the others to maintain interest and to keep them going, as they are all in a bad financial condition.

att 6

USMA-35

Attachment no. 6

9 Jan 48

SZUMLAKOWSKI stated this morning, "Therefore, when VAJTA left with his American dollars, he more or less left us here without any funds."

SZUMLAKOWSKI then made an appeal that we advance him some money to help him out. This money, he stated, was not requested because he had made any promises to these people, but because he felt a moral obligation. I again reminded him that neither the Embassy nor myself has money like that and that no obligation was assumed by us in merely listening to statements made by him and VAJTA.

I then touched on the nature of the report by ENESCO, which he had left with me, and stated it was in a very popular vein and only contained information which was more or less generally known and which might be read in Time or Plain Talk, a copy of which I showed him. He countered by saying that, of course, that was only the beginning and for purposes of orientation, but I said it was entirely probable that the State Department already had information from Rome, London or Paris on the same personalities mentioned in the ENESCO report.

SZUMLAKOWSKI then outlined again his precarious financial condition as a result of these personal payments and stated that although the Embassy was not now immediately interested in his group from the standpoint of direct support, still in some months' time it would be, and it then would be better to have the members of his little group favorably disposed towards us than otherwise, although his own personal feelings would always be friendly and cooperative, as he had been for years. I told him I could not guarantee anything with regard to payment, and that although we would continue to be interested in his group and to value his friendship and cooperation, the future would have to await further developments.

Before he left SZUMLAKOWSKI gave a big sigh and said, "Well, one more experience!"

As he was leaving I asked him how much he knew about VAJTA's life and background, and he stated (a little wide-eyed with surprise) that he only knew what was in VAJTA's biography in his book. Then I asked him whether he thought Monseigneur NYISZTOR knew much of VAJTA's life and background, and his reply was he assumed the Monseigneur did. He added that he had not known VAJTA previous to this episode and that his introduction came through Monseigneur Papé, who is still accredited to the Vatican as representative of the pre-war Polish Government.

Mr. SZUMLAKOWSKI left, stating that he would still continue to submit reports and bits of information as always, merely as a friendly service and without any obligation whatsoever.

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9 Jan 48

MEMORANDUM

2P

29 December 1947

MICROFILMED  
FEB 26 1963  
MICRO. SER.

To: Files

From: [ ]

Subject: Re Conversation of December 19 with Mr. SZUMLAKOWSKI

Note: Other points in this conversation are covered by my memorandum of December 26, entitled: "Bad Blood between Mr. VAJTA and Mr. SZUMLAKOWSKI."

Mr. SZUMLAKOWSKI called to report on the latest developments concerning the obtaining of the control of Col. SZANTHAY's money.

On Monday afternoon, December 15, Monseigneur NYISZTOR, Mr. SZUMLAKOWSKI, Col. SZANTHAY and a notary gathered to sign the papers transferring the control of SZANTHAY's money to Msgr. NYISZTOR.

Col. SZANTHAY signed a paper of "Cesión completa de bienes y fondos depositado por Col. SZANTHAY con Sr. SANZ ORLOFF." He gave to Monsgr. NYISZTOR at the same time 2 letters of "cambio", each to the value of 200,000 pesetas, and 2 receipts: one for the sum of 10,000 Swiss francs and another for 100,000 pesetas, from Mr. HOYOS, of the former Hungarian Legation. This money was apparently loaned previously to HOYOS, and if ever returned, will be given to Msgr. NYISZTOR. The approximate value of all this is, according to Mr. SZUMLAKOWSKI, some 600,000 pesetas.

The important factor in this transaction is that Msgr. NYISZTOR cannot dispose of the funds until three months' time has passed.

According to Mr. SZUMLAKOWSKI, he does not believe that Mr. SANZ ORLOFF knows of this latest arrangement. He does not, however, expect any difficulty will be met with the latter.

SZANTHAY was extremely amiable, SZUMLAKOWSKI said, and offered his own collaboration with the group. (!) He said he would try to find out which of the Madrid chain (STRASSER, VESZI, FERENCZ, etc.) had the Hungarian Beneficent funds, and try to aid the Continental Union as he could.

This aspect is significant, as it was VAJTA's previous belief that SZANTHAY was expecting to flee to Argentina with the money to join the "Fascist International."

At the same time, SZUMLAKOWSKI told me (that is, the same time VAJTA's statement was made) that he thought SZANTHAY had been approached by the Internarium group with a view toward using the money to aid them.

Att. 7  
16 SA 100-35

9 Jan 48  
Att. [ ]

SECRET

Page 2

SZUMLAKOWSKI commented at this latest conversation, that there were many aspects of the whole SZANTHAY CASE that he was doubtful about and many things unexplained. However, he seemed satisfied that with Msgr. NYISZTOR handling all that, things were in good hands.

Although both VAJTA and SZUMLAKOWSKI had previously told me that Msgr. NYISZTOR was "very hard" with SZANTHAY, the exact hold that the Msgr. has over SZANTHAY has not as yet come to light. It may perhaps be that the Msgr. is threatening SZANTHAY with action by the Allied Commission or something similar. However, SZANTHAY's "coughing up" at this particular moment, when it appeared chances were not so good for obtaining the money, throws somewhat of a shadow on the Msgr. NYISZTOR-SZANTHAY connection.

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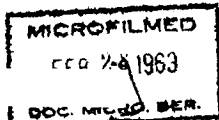
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[ 9 Jan 48 ]



MEMORANDUM

2P



31 December 1947

To:

From:

Subject: Conversation with Mr. SZUMLAKOWSKI of this date.

Mr. SZUMLAKOWSKI called this morning and brought with him page 2 of the report on Croatian personalities, prepared by this Croatian student in his personal "circle" of Eastern European friends in Madrid. This report, or rather page, contains the name of Dr. Branko BENSON, a pro-Tito Yugoslav whom we currently suspect may have connections with the Count di MONTI, pro-Communist propagandist who recently passed through Spain. Both are linked, in previous reports, with the VESZI-STRASSER-LEZSAK-KIBEDI bunch.

Mr. SZUMLAKOWSKI added that he has been reported to him by his group that the courier-link with occupied Eastern Europe is maintained even more regularly than previously thought. In former reports, it will be recalled that VESZI was believed to fly to Tangiers and hence to Paris and Budapest for that purpose. His trips, however, were supposed to take place only twice or three times a year. Now, it appears, there is a trip twice a month, and althou the person who performs the courier service is unknown as yet, SZUMLAKOWSKI's group will bring forth the information shortly. The added feature of interest, if it is true, is that the courier is "protected" by an official high in the Spanish Seguridad, and that the official was responsible for securing a Spanish passport for the courier to use on this end of his flights. Naturally, as in VESZI's case, passport change is effected in Tangiers.

Mr. SZUMLAKOWSKI also left a short note referring to the Spanish authorization of 5,000 visas for Croatian students (transit visas). The trip is to be paid for by an American Catholic Society. These students are said to be in Italy at present. According to Mr. SZUMLAKOWSKI's report, some 300 have already passed through Spain to Argentina, the latter country paying expenses from Spain to Argentina. The leader of this effort is said to be Mr. DRAGITSCHEVITCH former Croatian Charge (Pavelitch pro-Fascist government) in Madrid.

Mr. SZUMLAKOWSKI reported other movements of Eastern Europeans, among which are some Dominican Fathers from Czechoslovakia, and a Pole who is traveling from Portugal to Poland. The latter is due to return, and SZUMLAKOWSKI stated that, as he is acquainted with him and has given him the names of Poles inside Poland to meet, that he, SZUMLAKOWSKI will soon be in possession of interesting information on the internal situation.

When I asked him what had become of the report by the Ukrainian, allegedly on the underground in that area, he said he would ask the person to be more specific in his report, but that the latter is in need of money at the present, and SZUMLAKOWSKI does not want to approach him.

att. 8

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2 Jan 48

Attachment



report until he can see his way clear to help the person out. Mr. SZUMLAKOWSKI again repeated that these bits of information would be forthcoming as time went on, but that he would appreciate financial help, only a little, to help him meet the out-of-the-pocket expenses he incurs in obtaining the information.

I am inclined to believe that, despite his repeated statements that he will bring us information in good faith and because of friendship, he will not be able to do so after a while and especially when the "pinch" comes. This continuing source of information, varying in volume and in interest, will, in the long run, pay off. This personal "circle" of SZUMLAKOWSKI's friends has no connection with Mr. VAJTA. As a matter of fact, and chronologically, it existed long before Mr. VAJTA arrived in Madrid for the Continental Union negotiations, and has not changed in make-up because of the latter's arrival.

Mr. SZUMLAKOWSKI, after my question of the other day regarding his knowledge of Mr. VAJTA's background before coming to Madrid, must have done some thinking, because today, without any opening remarks to prepare the way, made the statement that the Continental Union as now set-up in Madrid with Msgr. NYISZTOR and himself at the head, could get along without VAJTA if need be. He amplified that by stating that he felt that the Intermarium people in Madrid, seeing how much VAJTA accomplished in Madrid during his short stay, and the same people in Rome when VAJTA was forming the "Union" outside the Intermarium, may have rumor-mongered or denounced VAJTA for the sole purpose of queering his relations with American services. He added that we could now expect some "whispers" to be begin on the part of the Intermarium people since it was clear the Spanish government was not prepared to work with a group shot-through with Masonery. I made no comment to these latter remarks except to say that it was almost "standard practice" when two groups were trying to gain favor one way or another.

Mr. SZUMLAKOWSKI showed me a letter from M. MISZYN, Secretary General of the Intermarium in Rome, addressed to VAJTA. The letter said that VAJTA, in organizing his Continental Union, should not presume to criticize the Intermarium so much inasmuch as VAJTA was never a member and could hardly know much about it. Some parts of the letter were quite critical of VAJTA. The latter's activity here was probably reported to Rome by MAROSSY.

SECRET

W5M12-35

9 Jan 48  
[ ]

MEMORANDUM

2P

MICROFILMED  
FEB 26 1963  
DOC. MICRO. SER.

5 January 1948

To:

From:

Subject: Conversation of January 5, 1948 with Mr. SZUMLAKOWSKI

Today when Mr. SZUMLAKOWSKI called we really got down to brass tacks on this money problem. He again repeated some of the difficulties which he was having in supporting the Rumanian ex-Peasant Party leader, ENESCO, LOBODOWSKI and one or two of the students in his group who keep supplying him information. Incidentally, the information which he brought in today concerned the name of the new, or supposedly new, courier for the Madrid-Tangier Soviet chain: a Pole by the name of KORNBERG, who makes two trips each month between Tangier and Madrid. With the other details which he gave me about this person, it fits in with the description of a person who the attached agency in Tangier were interested in knowing more about. This information will be relayed through channels for comments from Tangier.

Mr. SZUMLAKOWSKI showed me this week's copy of the Spanish magazine Criteria, in which appears an article written by Monseigneur NYISZTOR. He also stated that now they have a "practical" control over what is printed in several Spanish magazines about Eastern Europe: NYISZTOR for Criteria, the Pole LOBODOWSKI for Mundo (he writes the articles on Poland and for the Literary Section), the Hungarian REVESZ for Mundo (articles on the Balkans, and especially Greece). The "practical" control SZUMLAKOWSKI and Monseigneur NYISZTOR with Fernandez MARTIN Sanchez, President of the Catholic Press Association. As time goes on, SZUMLAKOWSKI indicated, these publications will be covered more completely by having a writer on their staff who is intimately connected with the Eastern European Group.

I went over the ground with Mr. SZUMLAKOWSKI concerning the difficulties of financial help on the part of the Embassy, in the event that such help might be made. I laid particular emphasis on Spanish connections and the possibility that such money arrangements would be known to them. He was extremely frank in discussing the subject and stated that all that was desired at this moment was a small amount to be paid directly to him so that he could from time to time aid the various members of his group who bring him information. He said that there could be nothing suspicious in Spanish eyes in his coming to the Embassy, as he had gone to the Allied Control for two years now and had been in and out of this Embassy on many matters connected with Germans. He added that the whole thing would have to be put on the basis of mutual confidence, that an envelope could merely be given to him at any time and anywhere, and that as far as Monseigneur NYISZTOR of the other members of his group knowing that he received an extra "stipend", we could rest assured that he would be entirely discreet and silent. He said that during his early days of work for the Allied Commission, he received a regular "monthly bonus" for his reporting activities on German agents and that although it was given to him by a certain intermediary in the

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Allied Commission, he knew the origin of it but was the only one that ever knew. He added that as far as any such thing getting to the Spanish, it was simply impossible, given his own discretion and complete silence in the matter.

With regard to Mr. VAJTA, I told him that I frankly thought some rift might develop between them upon the former's return and that in one way or another, the fact that we had helped Mr. SZUMLAKOWSKI out might become known to the Spanish. He stated that both he and Monseigneur NYISLATOR were aware of the fact that in some way VAJTA appeared to have prejudiced the success of their group, that they were perfectly aware he talked too much and had often told him so, that he was young and impetuous and that they both agreed that he should not return to Madrid. They both intend to inform him of their decision and advise him to regularize his visa situation in the States and remain there, as the situation in Madrid was under their control and in perfect order.

Mr. SZUMLAKOWSKI talked at great length about the growing importance of his group and how it would be extremely valuable for the Embassy or any American service to have a continuing flow of information on the activities of Eastern Europeans in this part of the world; but, he added, until they can legally get control of the Hungarian Beneficent Fund and other funds, the lot of such men as ENESCO would be difficult, and it was only for that particular purpose that he was hoping the Embassy or some American service could see fit to pay a small monthly payment. He again stressed the fact that, as a matter of mutual confidence, he would handle the money paid to these persons and he alone would know of its source.

As usual, I had to do another "stalling off job", saying that this presented many problems to the Embassy and that I could not, as he knew, give any answer now.

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