

VIA: _____
SPECIFY AIR OR SEA POUCH

DISPATCH NO. MAS-A-678

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CLASSIFICATION

TO : Chief, Foreign Division H
Attention:

FROM : Chief of Station, Vienna

DATE: 16 August 1951

SUBJECT: GENERAL- Operational
SPECIFIC-

Reference: MAV-A-8843

1. subject of reference, has now received final approval from the Immigration and Naturalization Service and will leave for the United States at the end of September 1951. He and his wife have home and job assurances from the Groton School, Groton, Massachusetts and will go there immediately after their arrival.

2. During the visit of Monsignor Bela VARGA to Salzburg from 19-21 July, the problem of finding a successor to was discussed with VARGA, Istvan BARANKOVICS and , and it was finally decided that the only man capable of taking over without embroiling the office in political battles was General Jozsef VASVARY, presently head of the Hungarian Office in Brno. VASVARY from our point of view is far from ideal, since he is very close to General BETHOUART and we must presume that he has some French IS contacts. The choice, however, had narrowed to VASVARY or , and since is closely tied with General ANDERS' intelligence work, has become involved in extreme right wing political movements in Graz, and is generally an unstable person, VASVARY seemed to be the best of a bad bargain. It is expected that VASVARY will spend one or two weeks with in Salzburg before the latter leaves, and at that time we will be able to get a better idea of his capabilities and extra-curricular connections.

3. Two other items discussed by VARGA, , VASVARY, BARANKOVICS and were the general position of the MEBK and the specific position of Tibor ECKHARDT in relation to it. The National Council has begun proceedings against ECKHARDT to oust him from membership because he is also a member of the MEBK, which he joined in June of 1950. It was emphasized to VARGA that those present felt it extremely unwise to force ECKHARDT out of the Council since this would mean in effect the founding of another splinter group, and VARGA agreed. He promised to attempt a reconciliation of the opposing forces, but did not believe it would be possible to persuade ECKHARDT to resign from the MEBK.

4. On the subject of the MEBK as a whole, the meeting discussed the possibility of forcing a change in its leadership. VASVARY stated that a large percentage of the membership was entirely dissatisfied with ZAKO's political ideas and

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would welcome a change from the Nyllas figures at the top. He claimed that he had even been approached to replace ZAKO and expressed the belief that the whole organization was in danger of collapsing within six months. It is interesting to note in this respect that (General) Lajos BURGET, MHEK leader in Salzburg, told [] last week that ZAKO and Colonel Lajos MADAS had received home and job assurances for the U.S. Furthermore, KORPONAY left for Canada on the IRO transport from Salzburg on 9 August.

5. In spite of the good intentions of those involved in the above discussions, it was []'s considered opinion that nothing would come of them. He characterized VARGA as an insipid, rather obsequious politician, full of hot air with little action in him. While he believes it possible to eliminate the Arrow Cross elements from the top ranks of the MHEK, he recognizes the difficulty of such a task and does not believe that either the necessary funds or necessary support would be forthcoming from the National Council.

6. The coming departure of both [] coupled as it is with Laszlo LITKE's departure, will leave us without any reliable contacts in the Hungarian Office, and will in fact mean a complete change of personnel in the Office itself. We do not feel that an approach can be made to VASVARY until we have been able to clarify his French IS relations, although we hope to find someone to insert in his office on a lower level. There has been some talk by BARANKOVICS and VARGA of sending someone from the U.S. either to take charge of the office itself or to assume overall responsibility for the National Council in Austria, and the names of Geza BENKOE and Sandoz RAFFAY have been mentioned. Both men would be undesirable from our point of view, particularly since we feel that this is an ideal opportunity to use []. MAS-A-679 discusses this point in detail.

7. Attached hereto are copies of 430th CIC Report No. S-10607 detailing a discussion by VARGA with S/A RAYMOND and S/A KELLY. Needless to say, [] [] BARANKOVICS and VASVARY do not agree with VARGA's mild opinion of ZAKO. Informant 2719, mentioned in the CIC Report, is [] []

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COPY OF CIC, SALZBURG AGENT REPORT, dated 2 August 1951

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SUBJECT: VARGA, Bela
President of the Hungarian National Council in New York

The following information was obtained on 20 July 1951 from a conversation between the undersigned Agents and Monsignor Bela VARGA, President of the Hungarian Parliament during 1946 and 1947 as a member of the Small Holders' Party, who is currently President of the Hungarian National Council in New York City. VARGA was on an official tour of Europe for the National Council in the interests of the Hungarian refugees. He gave the following opinion concerning Hungarian refugee problems in Austria:

General _____, who was at one time attached to the Hungarian Embassy in Berlin as Military Attache, and is currently head of the Magyar Iroda (Hungarian Office) in Salzburg, is VARGA's choice as the person who should replace Istvan BARANKOVICS as the Salzburg representative of the Hungarian National Council when BARANKOVICS emigrates. However, due to the possibility that KOMLOK may emigrate in the near future, VARGA's other choice is General Josef VASVARY, former Hungarian Military Attache to Belgrade and currently head of the Hungarian Office in Bregenz, Austria. VARGA spoke highly of VASVARY's accomplishments in the French Zone of Austria. He was of the opinion that VASVARY's success was due to his quiet diplomatic attitude without involving himself in political entanglements.

VARGA spoke about General Andreas ZAKO, head of the MEBK (Magyar Harcosok-Batjarsai Kozossege - Hungarian Warriors Comradeship Society). While not in complete agreement with ZAKO, VARGA recognizes ZAKO as a very capable person, who could be an excellent leader for Hungarian refugees. VARGA is of the opinion that ZAKO's position during the last war with Ferenc SZALASI, dictator of Nazi Hungary after October 1944, and his inconsiderate attitude toward certain other refugee groups, places ZAKO in a difficult position with most Hungarian refugees. VARGA hopes that in the future ZAKO will change his attitude, in order to maintain unison among the Hungarian refugees.

VARGA is convinced that the MEBK is a worthwhile organization and it is unfortunate that they are at odds with the National Council in New York. He is fully aware of the political intrigue involved between members of certain Hungarian groups and between the groups themselves. He is of the opinion that the groups must work together for a common cause and that the time that is being wasted by intrigue and positioning for power could be used to a better advantage elsewhere. He is absolutely opposed to any internal strife among the Hungarian refugees. He was not satisfied with the MEBK's New York representative, (fnu) AAGH, who is as he described him "an incurable Nyilas (Nazi)".

VARGA was disturbed over his visit to the Salzburg Hungarian Caritas because of the number of Hungarian youths residing there who lack facilities to enable them proper recreation. He was alarmed to find so many who were not working or attempting to obtain employment. He is determined to rectify this refugee problem.

The National Council is at present looking for a capable person in the United States to send to Austria as a direct representative of the National Council in New York. No one as yet has been chosen because it is difficult to locate a person who possesses the qualifications and at the same time has interest in such a position. He is hopeful, however, that a person will be chosen prior to the spring of 1952. VARGA was not certain what connection this job would have with the position of the National Council's Office in Salzburg.

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