

HEADQUARTERS
UNITED STATES FORCES IN AUSTRIA
S.S.U., W.D. MISSION TO AUSTRIA
APO 777, U. S. ARMY

4 June 1946

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MEMORANDUM

SUBJECT: Vatican Contacts

1. The Vatican, as headquarters of the Catholic Church, serves as a collecting point for hundreds of individuals who come and go from all corners of the earth. It is, therefore, a logical point for obtaining intelligence. The Vatican is interested in obtaining information on political, economic, and religious policies of countries in which the Church has either established communities or is continuing missionary activities. In order that the Pope may be properly informed of developments which are of interest to the Church, an effective system of communication has been established which may, in fact, be considered an Intelligence Service. One of the most pressing problems for this Intelligence Service at present is to keep the Church informed regarding Soviet Russia and Russian policy in the countries of Europe which lie under Soviet influence. The opposition of the Catholic Church to Communism is well-known. Present leaders of Vatican policy are seriously alarmed at the extension of Soviet influence, together with the spread of Communism, into Central and Western Europe. The Vatican is seriously worried about the large number of Catholics who live in the Ukraine, Poland, Hungary, Czechoslovakia, Yugoslavia, and Austria. The hostile acts committed against the Catholic Church by the Russians and the use of the Russian Orthodox Church as a means of uprooting Catholicism in Eastern Europe are developments which have received some prominence in the world press and require no further comment.

2. According to reports received from reliable informants within the Vatican, Church officials regard the United States as a nation which is truly dedicated to the cause of world peace and justice. The Vatican is willing and eager to work with American intelligence officers, and it is obviously in the interest of the Vatican to make use of American facilities such as travel passes through American-occupied Zones, air and motor transport, mail box privileges, etc., in order to facilitate the agents of the Vatican in traveling to and from Rome on missions. SSU, on the other hand, is in a position to furnish the Vatican Intelligence Service such help as has been mentioned above in return for information of political, economic, and military nature regarding the countries now under Soviet influence. The lines of communication between

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the Balkans and Eastern Europe pass through Vienna and it is at this point that the Austrian Mission can brief Vatican agents entering the field on matters of interest to SSU and debrief them upon their return.

3. The most significant information to be derived from the Vatican by a member of the Austrian Mission has been obtained by Source Kilkenny. Kilkenny is a newspaper man by profession, a liberal Catholic who edited for several years one of the finest Catholic publications in Hungary. He was stationed for a number of years as press attaché of the Hungarian Legation to the Holy See and has numerous contacts among high personalities within the Vatican. Shortly after the occupation of Rome by Allied troops in June 1944, Kilkenny was hired by OSS as a consultant on Hungarian matters and made a member of the Hungarian desk in OSS. It is believed that Kilkenny was one of the first to suggest to OSS the use of priests and Vatican contacts for obtaining intelligence in Central Europe, and he was responsible for recruiting the Hungarian priest, Monsignor Magyary or "Moly" who trained at jump school in Bari and was parachuted into Czechoslovakia with the ill-fated Dawes mission in Sept. 1944. "Moly" successfully completed his mission and was evacuated by the Russians to American territory after the Russians had occupied Budapest.

Kilkenny is on friendly terms with Father Leiber of the Society of Jesus, who is the closest and most influential advisor of the Pope. This association has netted a number of interesting reports on Church policy. Because the Swiss mission also maintains contact with Leiber, the Austrian Mission came to an agreement with Mr. Henry Hyde of the Berne office for mutual cooperation. To date, such cooperation has proved satisfactory to both missions.

4. Shortly after the entry of OSS into Austria in June 1945, Kilkenny met Father Gehrman, last secretary of the Papal Legation at Berlin, who furnished information of some interest on Church matters within the Third Reich. Through Gehrman, Kilkenny came into a close and fruitful contact with Father Zeiger, head of the present Vatican Mission to Germany. A good deal of interesting material was obtained through Zeiger on Church policy within the various zones of Germany. Since Zeiger is located in Wiesbaden(?) an agreement was made with Amzon that Kilkenny will contact Zeiger for both the Austrian and German missions. To date this agreement has proved highly profitable to both missions.

5. In 1945 Kilkenny learned through Hungarian contacts that an old friend of his, Father Nagy of the Society of Jesus, was traveling between Budapest and Rome. Suspecting that Nagy was engaged in intelligence activities for the Vatican, Kilkenny informed the Austrian Mission, SI Branch which promptly got in touch with X-2, Rome. Nagy was subsequently recruited by SI, Austria and by X-2, Rome. He has continually produced for this office remarkable intelligence on attempts made by the Vatican

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to reach an understanding with Marshal Voroshilov, Commander of the Soviet troops in Hungary.

~~Nagy has the role of personal representative for the Pope to Voroshilov and is at present attempting to enlarge the scope of negotiations.~~ Nagy has the role of personal representative for the Pope, and is at present attempting to enlarge the scope of negotiations with a view to establishing a broad and general agreement between the Vatican and the Soviet Union. At the time of this report Nagy is expected back soon from Hungary.

5. Kilkenny is also in contact with a liberal Catholic youth movement within Hungary whose members are reported to have agents within the Communist Party and within the different government agencies of the present Hungarian government. This group is firmly opposed to Communist domination of Hungary and wishes to work with the Vatican and with any other organization which can supply them with help in the maintenance of Hungarian independence. It is to be emphasized that the group is not a reactionary one which practices violence against the Russian occupying forces, but consists of sincerely patriotic Hungarians who oppose the Russians on moral grounds. A number of reports have already been received from this group and fuller details can be obtained from studying our previous reports on the Bisodal (formerly Klein - 14th Street) project.

6. In April 1946, Kilkenny renewed his contacts within the Vatican and laid plans for future operations into Eastern Europe. It was learned from Father Leiber that the Pope receives most of his information regarding Soviet-dominated Europe from the Istituto Orientale, a college in Rome which specializes in studies on the Eastern Church, and from the Istituto Ucraino, which specializes in problems affecting the Ukrainian Greek Catholic Church. Both of these institutions are manned by priests from the area in question who are in frequent contact with their compatriots within the Soviet Union and abroad. Contact was established with Father Amann of the Istituto Orientale and with Monsignor Bucko, a Greek Catholic bishop at the Istituto Ucraino. Both expressed their willingness to cooperate with serious American agencies in the mutual interest of Vatican policy and of the United States. At present Source Kilkenny is working on the possibilities of sending clergymen as agents into Eastern Europe with a view to establishing a regular chain of communications with Catholic communities there.

As a result of Kilkenny's connections with Bishop Bucko, it has been possible to establish contact with representatives of the so-called Ukrainian government, an anti-Soviet political group. This group appears to be well organized both within the Ukraine and among Ukrainian DPs in southern Germany and Austria. It controls a strong resistance movement which appears to be giving considerable trouble to the Red army. Two vice-

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presidents of the government (both of them closely connected with the Catholic Church) have been contacted in southern Germany with a view to exploiting the intelligence possibilities such a movement can furnish to SSU. The whole matter was recently discussed with Major Steward of the German Mission and it was agreed that Kilkenny should continue his contacts in a discreet manner. If all goes well, within a reasonable period of time there should be established a good line of communications to the resistance within Russia and the results of this chain will be available to both the Austrian and German Missions.

7. Kilkenny has recently contacted Monsignor Magyary, or *alias* "Moly", former OSS agent mentioned previously in this report. Magyary was requested to work again for SSU and he has agreed to leave for eastern Europe towards the end of June on a mission. It is anticipated that Magyary will bring back information on Hungary, Transylvania, and Rumania.

8. In conclusion, the Austrian Mission has already supplied valuable intelligence on Church policies, on personalities within the Vatican, and has been able to exploit the Vatican intelligence system within Soviet-dominated Europe. It is anticipated that this mutual work will continue and be intensified in the future. It should not be forgotten that much of the success for past operations is due to Kilkenny himself. He is ideally suited by years of experience in Church matters, by temperament, and as a result of intimate contact with important people within the Church to carry out these valuable and highly delicate operations. His competence in such matters has been recognized by the German and Swiss Missions. With the return of Mr. Henry Hyde to the United States and the apparent restriction of activities of the Berne office, Kilkenny remains one of the most capable persons on Vatican affairs within the set-up of SSU.

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