

USSR

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Copy No: 206

DOCUMENT ON FREE HUNGARIAN PLANS.

From: NEW YORK

To: MOSCOW

Nos: 1669-1672, 1674-1675

29-30 Nov. 1954

[Six-part message complete]

[Part I] To VICTOR.

PAPANEK(i) has passed on to SERGEJ(ii) an English translation of a note in Hungarian which TIBOR ECKHARDT(iii) lost in a taxi among a number of other documents. [B% The driver] of the taxi handed the find over to the KHATA(iv) and the latter through IZBA(v) entrusted the translation to a Hungarian (we will try to find out his name) from VAMBERY's(vi) group who then passed the translation on to PAPANEK. The note, dated the 27th of October and written in ECKHARDT's own handwriting, says:

1. Advice to the Hungarian Government:
 - (a) Hold the line of the Danube.
 - (b) Retreat in the direction NAGYKANIZSA-MARBURG(vii).
 - (c) In no circumstances withdraw in the direction SOPRON-VIENNA(viii) (indeed the Government should not withdraw [;] it should remain with the troops).
2. Arrange the PATHY(a)(ix) affair through BARCZA(x); answer him.
3. My passport and trip to Europe (LISBON).
4. Request addressed to SALASY(xi). [As long as a definite compromise is not possible the only other alternative should be absolute intransigence.][b] Do not give anything for nothing. Willingness to yield would make impossible an acceptable compromise in the future. But who knows today what turn our [will take?
5. Message to Baron HÜHNEFELD.

[Part II]

[continued overleaf]

Distribution

S/NEF/T213

[6 pages]

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6. Data for GROMBACH.

James WARBURG[xii].[a] A Swiss banker drew U's[c] attention to the fact that J.V.[c] related this fact in a loud voice to two persons travelling by train from [c] to N.Y.[c]. Half the carriage could hear. U[e] rang; W[c] to hold back; [C% SCHMIDT] (SCH-T)[f]. He was taken off the ship.[g]

On a separate sheet of paper: "Microfilm of "BUDAPEST-KOZLONY"[xiii]; telegraph PATHY[ix] copy to JUDSON [DZHADSON][xiv]; answer FREY[a][xv] and SAMSONDI[xvi]

~~[6 groups unrecovered]~~

[Part III] [10 groups unrecovered]
which we have omitted as not

[53 groups unrecoverable]

.....A" after HORTHY's broadcast of the 15th of October with the aim of reviving the "Independent Hungary" movement and the eventual formation of a Hungarian government or [2 groups unrecovered] "Committee of Emissaries"[h]

[15 groups unrecovered]

with HORTHY's people for founding a new movement. In view of HORTHY's tactlessness the talks came to an end and E.[xvii] returned to WASHINGTON. In analysing these notes these talks must be borne in mind as it is possible that there is a connection between them. Point by point:

1. Evidently this communication was intended for HORTHY and someone gave it to E. to transmit to BUDAPEST. E. could have sent it in particular through Count Gabor BETHLEN[xviii] (former counsellor of the mission in ROME, member of BARCZA's[x] committee of emissaries[h], son of the former prime minister [] [j], George PATHY[ix] (a shipowner in [1 group unrecovered] Anglo-Egyptian Steamship Line), Frank DEAK[xix] (professor of Columbia University, now in ROME where he has gone as representative of Pan-American Airways), Andrew FREY[xv] (a journalist at present in ISTANBUL), George BARCZA[x] (at present in GENEVA), connected with HORTHY through the Hungarian envoy at the Vatican, Baron Gabor APOR[xx] and finally in a [C% disguised] form through the Swedish mission which represents the interests of Hungary (

[Part IV]

[29 groups unrecoverable]

[D% towns]. The principal role in these affairs is played by PATHY[ix] and [C% BATOR]. There is no doubt that E. is subsidised from this fund.

BRIDE

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- 3 -



3. Undoubtedly E. is preparing to depart. OTTO[xxi] is at present in Europe and E. always used to cooperate with him.

4. The subject is an exchange of telegrams in the last few weeks between BARCZA[x] and Antal BALASY[xxii]. BARCZA's group was sounding WASHINGTON through BALASY on the subject of an armistice which WASHINGTON was putting off.

[Part V]

[68 groups unrecovered]

.....).

5. Baron HUMPHREY according to available information is an Austrian magnate at present living in LISBON, is connected with the monarchists.

[C. The notes] about WARBURG etc. E. could only have made on the basis of information received through connections in the LEAGUE [LIGA][xxiii].

Microfilm can be brought into the COUNTRY [STRANA][xxiv] either by the RADIO STATION [RATSIYA][xxv] or by IZBA[v], consequently someone from the LEAGUE is helping E. There is a letter signed by JUDSON [DZHADSON][xxvi] which asks E. to let the microfilm be read

[8 groups unrecovered]

It is possible that the microfilm does not contain only the newspaper KOZLONY[xiii]. JUDSON is evidently a go-between between E. and LISBON (in Nicaragua the military attaché of the COUNTRY[xxiv] is Major Frederick JUDSON).

[Part VI]

FREY [xy] is a representative of the RADIO STATION [RATSIYA][xxv] whom they are trying to send into Hungary as a newspaper correspondent. SAMSONDI is a pseudonym of Count Gabor BETHLEN [xviii].

Among the documents that were found there is

[10 groups unrecovered]

Transylvania[xxvii].

[19 groups unrecovered]

their [1 group unrecovered] noticeably requires careful investigation of the matter. According to the information of a source, the KAPTA[iv] has already taken up the investigation of E.

The Hungarian[xxviii] emphasizes that there is no longer any doubt that E. has come to the COUNTRY[xxiv] as an agent of HORTHY with 15,000 dollars for expenses.

[continued overleaf]

S/NBF/T213

BRIDE

~~TOP SECRET~~

SUDE

MAY's [MAJ][xxix] note. Detailed information about PATHY, FREY and other Hungarians and their connections with E. and other persons has been appended to the summary. Are they to be telegraphed or sent by post?

No. 929

MAY

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- T.N. :
- [a] Given in Latin letters in the original.
 - [b] This section is for technical reasons unrecoverable and has been inserted from the English translation in the possession of the F.B.I.
 - [c] Some such word as "affairs" appears to have been omitted from the original.
 - [d] The missing portion of the note (omitted from the signalled text) is given in the crib as follows:

"A few days before the repatriation of the German diplomats, Father SCHULTZ, a priest, was requested probably by German spies to undertake to organize a pro-American underground with the German military authorities. He was going to be repatriated."
 - [e] In the crib James WARBURG is abbreviated to "J.W.". W. and N.Y. are given in full as WASHINGTON and NEW YORK in the crib, while U and the second W are given in the abbreviated form in quotes.
 - [f] Given in Latin letters in the original. In the version available as a crib this name is given as SCHULTZ (see T.N. [d]).
 - [g] The crib shows the missing portion of the note as follows:

"OSS has recently sent some agents to Austria as English agents. Three men in SALZBURG negotiated with them and on the same day they were shot."
 - [h] The Russian for "emissaries" in the signalled text is PCCLANNIKI. The crib translates this phrase as "Committee of Ministers".
 - [i] The text omits this final bracket which it seems necessary to insert at this point.

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- 5 -

S/NBF/T213

- Comments: [i] PAPANEK, Jan: head of the Czechoslovak Information Service in NEW YORK CITY.
- [ii] SERGEJ: Vladimir Sergeevich PRAVDIN.
- [iii] Tibor VON ECKHARDT: President of the Executive Committee of the "International Organisation for an Independent Hungary". While in the U.S.A. formed the Hungarian People's Commission.
- [iv] KHATA: the Federal Bureau of Investigation (F.B.I.).
- [v] IZBA: the Office of Strategic Services (O.S.S.).
- [vi] VAMBERY, Professor Rusztem; scholar and jurist, leader of Free Hungarian Movement in NEW YORK: chairman of the Committee for a New Democratic Hungary. Was attorney for Matyas RAKOSI. Minister to the U.S.A. Sept. 1947; resigned 19 May 1948; died 29 Oct 1948.
- [vii] MARBURG or MARIBOR in Yugoslavia. In other words in a South-Westerly direction.
- [viii] I.e. in a North-Westerly direction.
- [ix] PATHY, George S. (son of Geza POLNAUER), a wealthy businessman of Hungarian-Jewish origin in ALEXANDRIA, Egypt.
- [x] BARCZA, György von MAGYLASONY, former Hungarian Ambassador to LONDON.
- [xi] BALASY: a Hungarian diplomat.
- [xii] WAREBURG: American banker and author. He was deputy director of the Office of War Information from 1942-1944.
- [xiii] The official Hungarian Government paper.
- [xiv] See comment [xxvi] below.
- [xv] FREY, Andrew: a journalist in the OVI in LISBON.
- [xvi] SAMSONDI: a pseudonym of Count Gabor BETHLEN (see [xviii] below).
- [xvii] B.: Presumably ECKHARDT.
- [xviii] Count Gabor BETHLEN, son of Stephan BETHLEN. At the date of this message he was in LISBON.

[continues on next leaf]

S/NBF/T213

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- [xix] DEAK: reported to have been in LISBON frequently.
- [xx] APCR: closely linked with BETHLEN and BARCZA.
- [xxi] OTTO: probably the Archduke OTTO, pretender to the throne of Austro-Hungary.
- [xxii] BALASY: a Hungarian diplomat.
- [xxiii] LIGA: the Government of the U.S.A.
- [xxiv] STRAMA: the United States of America.
- [xxv] RATSIYA: the Office of War Information [O.W.I.].
- [xxvi] This letter, headed "Lisbon, October 6, 1944", is addressed to "Upjack" [who might be "U" in para 6 of ECKHARDT's note] and is in the form of a covering letter for two other letters which are for the consideration of the "Professor" [presumably VAMBERY - see comment [vi]] and "Upjack". One is addressed to "Feri" and signed "Gabor" (who, it appears from the JUDSON letter, is Gabor BETHLEN). . . It is principally concerned with a request to appeal to the Allies to save a number of the writer's relations in Hungary. The second letter was written in French and dated September 22nd. According to the JUDSON letter it is a letter from "Seto" which Rabbit had asked him to forward. The writer was evidently in touch with the Russians and discusses the position of Hungary in the post-war settlement of Central Europe.
- [xxvii] The question of Transylvania is mentioned in the letter written in French referred to above.
- [xxviii] I.e. the Hungarian entrusted by the O.G.S. with the translation of the documents for the F.B.I.
- [xxix] MAJ: Pavel Ivanovich FEDOSIMOV.