Memorandum for the President:

The following information, dated 23 December, is a summary of intelligence gathered during a two-weeks trip through Transylvania and the Rumanian Banat by the OSS representative in Bucharest:

The jurisdiction of the Bucharest Government extends at present only to the line of the Vienna award—the northern portion of Transylvania, which was awarded to Hungary by Germany in 1940. Throughout Transylvania and the Rumanian Banat two sets of Soviet officials were encountered. Red Army colonels representing the Allied Control Commission were located in the larger cities of Cluj, Arad, Timisoara, and Sibiu. Town commanders, usually low-ranking officers of the Second Ukrainian army, are responsible for the maintenance of the Soviet military. All local matters apparently were left in the hands of local Rumanian authorities. The Soviets report no local difficulties in obtaining fulfillment of the armistice terms. However, epuration is proceeding slowly, allegedly because of the lack of cooperation from the Ministry of Interior in Bucharest, and only unimportant members of the Fascist Iron Guard have been arrested.
No evidence was found of a Soviet intention permanently to separate northern Transylvania from Rumania. It appears generally agreed by local informants that the Rumanian authorities first sent to northern Transylvania by the Bucharest Government were expelled by the Soviets because they armed the Rumanians and incited them against the local Hungarian population. Contrary to charges made in government circles in Bucharest, the present local functionaries are not wholly Hungarian or Communist. In Cluj, for example, the mayor and prefect are Rumanians, the vice-mayor and subprefect Hungarians. Although in some villages elections have been held by secret ballot, in other centers the process of election by acclamation has been adopted, allegedly because of the lack of voting lists. Appointees by the latter method appear to have been drawn largely from young, energetic lawyers, bankers, and professors. The practice of popular demonstrations, followed by the ousting of Bucharest appointees, and the installation of new officials by acclamation or election has also spread to southern Transylvania, the Banat, and other areas.

Considering the absence of any strong Rumanian leftist political tradition, the entrenched position of the traditional Rumanian parties, the difficulties of transport and communication, and the short time since the expulsion of the Germans, the leftist parties appeared to have developed remarkable strength throughout the area. The Ploughmen's Front (originally a local
A leftist group of small importance has won about half of the electoral contests and acclamations in the villages. The Hungarian Madoss party, which embraces all leftist democratic elements of the local Hungarian population, is cooperating with the leftist Rumanian National Democratic Front. The more conservative leader, Maniu, is losing ground steadily throughout the area, while his Rumanian Peasant Party, which is now said to include many former Iron Guardists, is held responsible for anti-Hungarian outrages. The conservative Liberal Party has concluded a temporary political truce with the leftists pending instructions from Bucharest.

The chief economic difficulty in the area is lack of transport, which has caused fuel and food shortages. The isolation of Transylvania from both Hungary and the remainder of Rumania has made it deficient in many commodities.

In southern Transylvania the Jewish population has survived, but the larger Jewish population of northern Transylvania has been virtually destroyed.

G. Edward Buxton
Acting Director

Caserta Cable No. 21244 - 12/23/44.
GERMANY: Serious Disorder in Breslau and Berlin.

The OSS representative in Caserta has transmitted the following information, received from a usually reliable source:

A clandestine message to the Vatican from Germany states that the situation is critical in the Breslau diocese and in Berlin, where attempted assassinations of Nazi leaders and mass execution of civilians become more frequent.

(OSS Official Dispatch, Caserta, 18 November)
GERMANY: Nazi Underground Organization Plans.

The following information, obtained by British intelligence in early October and considered by the British to be reliable, has been transmitted by the OSS representative in London:

Instructions from Hitler to the Nazi underground forces are being printed under the supervision of and for distribution by the Sicherheitsdienst (SD) under the title "Anweisungen Für Klein- und Partisanenkrieg" (Directions for Small-scale, Partisan Warfare). The section of the instructions entitled "Organisation" includes the following points:

1. The military organization is to be divided into Gau (Region), Bezirk (District), and Bezirks-Kommune (District-Commune; an apparent attempt to ape the Communist structure). The smallest unit will be the underground "cell" or "Fünfergruppe" (group of five men). The five men in each "cell" are to operate independently in their districts, subject only to direct orders from the supreme central command. Contacts between the Fünfergruppen, whose leaders will be selected by SD headquarters, will be solely through headquarters. Headquarters will appoint successors to leaders who are uncovered or arrested.

2. The Fünfergruppen will be divided into intelligence, sabotage, and security sections, and will use former local district administrative officers. The intelligence sections will be chiefly composed of highly-trained radio and signal experts. Sabotage sections will be composed of Waffen SS field engineers experienced in demolition work. Former SD personnel will organize and operate counter-espionage. Women will be used wherever possible. Special underground couriers will supplement radio communications.

3. Each Fünfergruppe will have (a) secret arms dumps with guns of all types, flamethrowers, mines, chemicals and sabotage weapons; (b) a hospital; (c) a chemical laboratory; (d) document and printing plants, and (e) telephone and radio stations.

Source also reports that: DECLASSIFIED

By Authority of

CIA

By Date May 6, 1977
1. The process of providing false identifications for agents and their infiltration into concentration camps is already under way. A high degree of preparation already appears to have been achieved in western Germany.

2. Training schools for partisan warfare have been widely established, including those at Gablonz and Reichenberg in the Sudetenland, Spandau near Berlin, Linz and Innsbruck in Austria, and Hagen and Dortmund in Westphalia.

3. The central controlling staff has been set up and is rumored to include the following: Himmler, Martin Bormann, Chief of the Party Chancellery, and Ernst Kaltenbrunner, SS Obergruppenführer, chief of the SD and rumored head of the Abwehr. The staff also is reported to include the following Waffen SS Obergruppenführers (Generals): Kurt Daluege, former head of the Ordnungs-Polizei; Erich von dem Bach-Zelewski, at latest report German supreme commander in Warsaw and rumored head of Himmler's anti-partisan forces; Wilhelm Rediess, senior police and SS leader in Norway; Günter Pancke, senior police and SS leader in Denmark, Wehrkreis XI; Otto Hoffman, commander of Wehrkreis V (tentative identification); and Karl Hermann Frank, senior police and SS leader in the Protectorate.

\[\text{OSS WASHINGTON COMMENT: While it appears probable that these men are among the principal organizers of the Nazi underground, they will not likely serve as leaders of the underground following Germany's military defeat. Such leadership would presumably be vested in "unknowns", not men as prominent as these and as highly rated as war criminals.}\]

(OSS Official Dispatch, London, 7 November)
HUNGARY: Political Orientation and Military Plans of the Present Government.

The OSS representative in Stockholm has transmitted the information that the strongly pro-Nazi Military Attache at the Hungarian (puppet) Legation in Stockholm, who returned from an official visit to Hungary on 1 September, commented pessimistically on the Hungarian political situation, as follows:

The Army General Staff, still strongly oriented towards Germany, is dissatisfied with the appointment of Lakatos as Premier, especially because he is considered too pro-British and not amenable to control by the military.

The real power is now in the hands of Horthy (the Regent), Lakatos, and Bonczos (Minister of Interior). Horthy is allegedly ashamed of earlier anti-Jewish measures. Though he is still violently anti-Communist, Horthy would support Lakatos in the event of his adopting an anti-Nazi policy.

The Germans will try to stand at the Transylvanian Carpathians, and the Hungarians will try to defend the Sava district as well as the part of Yugoslavia now occupied by Hungarian troops.

(OSS Official Dispatch, Stockholm, 3 September)
1 September 1944

BULGARIA: Expulsion of German Troops and Gestapo; Rumored Cabinet Appointments.

The following intelligence, dated 29 August, has been transmitted by the OSS representative in Istanbul:

According to Bulgarian officials in Istanbul, German troops entering Bulgaria from Rumania are being disarmed. A specific deadline has been set for the withdrawal of all Germans now in Bulgaria, including the Gestapo. Troops will be allowed to take with them only small arms and rifles, and all are under surveillance. Reliable Bulgarian units have been stationed around all German camps; 600,000 Bulgarian troops have been mobilized.

Refugees who left Bulgaria on 23 August have reported rumors that Professor Petko Stainov/prominent pro-Allied member of the Democratic Party would be the new Foreign Minister, and Stoicho Moshanov the new Premier. In view of Moshanov's consistent pro-British attitude, he may be the British choice. Bulgarian officials in Istanbul, however, believe that Moshanov has little prestige in Bulgaria, partly because of his reputed implication in questionable financial deals concerning Jewish affairs.

(OSS Official Dispatches, Istanbul, 31 August)
GERMANY: Nazi Plan to Execute All Foreign Workers in the Reich

The report set forth below has been transmitted by the OSS representative in Bern with the following comment: There is nothing impossible about the Nazi plan as described in this report. The information is forwarded, however, with reserve. It is believed here that the source is dependable enough to justify forwarding his report, and there is no apparent reason for questioning his good faith. Yet before this evidence is accepted fully, it would be wise to have further proof of his sincerity.

Toward the end of May or the beginning of June 1944, a conference was held at Hitler’s headquarters at Berchtesgaden. It was attended by Hitler, Himmler, Kaltenbrunner and Generals Guderian, Fromm, Zeitzler and Keitel, among others. The decision was reached at this meeting to make arrangements for the extermination of alien workers, in the event that the Russian, British and American troops made any further gains. The workers were classified in five groups at the suggestion of Kaltenbrunner and Himmler. The first group, classed as "very dangerous" and comprising 2,000,000 men, was to be exterminated before the others. It appears that their execution was to begin at once. In order to give a semblance of legality to this massacre, it was agreed that the 2,000,000 who were to be liquidated first should be moved from one work camp to another and that, on the way, they should be shot down by SS troops on the pretext that they had attempted to revolt or escape.

The report stated that a number of the Wehrmacht generals, among them Rundstedt, Zeitzler, Fromm, Witzleben and Beck* as well as General Otto, a close friend of source, had refused to consent to this mass murder. Source suggests it was for this reason that some of them later took part in the attempt against the Fuehrer, which is said to have been foreshadowed in the report.

General Stieff and his friends requested source to establish contact with the Allies in order to warn them of the coming executions and to urge them to drop

*Received "Bock"; presumed to be General Ludwig Beck, see notes.
leaflets telling the German people of the plan. The report suggested further that an appeal be made by prominent political leaders and men of letters, such as Bruning, Wirth, Thomas Mann and Professor Dessauer, who had taken refuge outside Germany. General von MODELL was also mentioned as one of the army chiefs who might be persuaded to lead his troops against the Nazi government. The writers of this report, however, had no love for the Russians and did not wish to negotiate with them.

The source of the foregoing report is a French journalist with Catholic affiliations, who has been associated with underground activities in France. He states that, since 1941, he has received only brief, occasional communications from his friends in the German High Command. On 11 July, however, he received by secret courier the above report and appeal from Major General Hellmuth Stieff, who was later executed.

Source communicated to Alfred Kober of the National Zeitung of Basel the information on Nazi plans to execute foreign workers which was published by that newspaper and was quoted by an OWI report of 2 August 1944.

"Received "von Modtles"
Kaltenbrunner, Dr. Ernst - Chief of the Security Services, including the Sicherheits Polizei and the Sicherheits Dienst.

Guderian, Generaloberst Heinz - Made Chief of Staff of the Army High Command after the plot of 20 July, replacing Zeitzler.

Fromm, Generaloberst Fritz - Former Chief of Staff of the Army High Command; was replaced by Guderian after 20 July 1944.

Zeitzler, Generaloberst Kurt - Former Chief of Staff of the Army High Command; was replaced by Guderian after 20 July 1944.

Keitel, Generalfeldmarschall Wilhelm - Hitler's deputy in the Fuehrer's capacity as Chief of Army and Supreme Commander of the Armed Forces.

Rundstedt, Generalfeldmarschall Karl Gerd von - In command of the German troops in Western Europe until replaced by von Kluge. Served on the "Court of Honor" which tried those suspected of being implicated in the 20 July plot.

Witzleben, Generalfeldmarschall Erwin von - Retired in 1940. Found guilty of treason in the 20 July plot, and hanged.

Beck, General Ludwig - Retired. Said to have committed suicide after the 20 July plot.

Otto, Lieutenant General Paul - Retired May 1943. This may also be Generalmajor Otto, whose command is unknown.

Major General Hellmuth Stieff was among the generals whose hanging was announced by the Nazis in connection with the plot against Hitler's life.

Model, Generaloberst Walter - in command of the Ninth Army.

Bruening, Dr. Heinrich - Reichskanzler in 1930-32, Catholic Party.

Wirth, Joseph - Reichskanzler and Minister between 1940 and 1922, Catholic Party.

Dessauer, Friedrich - Professor of physics at the University of Freiburg, member of the Catholic Center Party. Member of the Reichstag from 1924 to 1933, arrested by the Nazis in 1933.
TURKEY: Reaction to the Break with Germany.

The following intelligence, dated 11 August, has been transmitted and rated by the OSS representative in Istanbul:

Turkish Government circles are reported seriously concerned over the popular reaction to the break with Germany. Widespread public resentment and fear that the country's peace has been sacrificed to Allied pressure is said to have been stimulated by the official government statement and by newspaper comments, which ascribed the break to obligations imposed on Turkey by her alliance with the British. Nightly blackouts, curfew laws, and other emergency defense measures soon to be enacted have caused unrest in Istanbul. This has been increased by anti-aircraft action against unidentified planes, although these were later identified as Allied craft. Newspapers report 500 residents evacuating Istanbul each day and moving into the interior of the country. As yet, however, no panic has been reported among the population.

According to witnesses who were in Ankara on 1 August, the session of the parliamentary group of the People's Party which preceded the break was the most turbulent which has been held for years. 29 out of the first 33 members who spoke are said to have opposed the move. (B-3) In an effort to calm their fears, Saracoglu emphasized that Bulgaria would not be a party to any German reprisals, that Turkish officials felt there was little chance of a Nazi attack, and that the Allies would compensate Turkey for economic losses. (C-3) Foreigners in Ankara appear to ascribe the confidence of Turkish officials to a specific agreement with Von Papen that Germany would take no military action against Turkey unless Turkey cooperated in an attack on the Reich. The Turkish Government is said to have assured Von Papen that Turkey felt no enmity toward Germany and would not resort to arms unless forced to do so by the Reich itself. Von Papen, in turn, instructed Saracoglu to hold Turkey back from further action while he attempted to dissuade Germany from retaliating for the break. (C-3)

Of the 3000 Germans resident in Turkey, approximately 200 have already left the country. Diplomats and those have affirmed their sympathy for the Reich have been treated fairly, but despite newspaper comments to the contrary, Jewish and anti-Nazi Germans are finding it difficult to obtain permission to remain. One explanation of this (B-3) is that Von Papen notified the Turks that the German attitude would be conditioned in part by the treatment accorded to Germans. According to another report (B-0), Nazi authorities have requested the deportation of some of their opponents.

(OSS Official Dispatches, Istanbul, 11 August)
TO: Colonel Richard Park, Jr.
White House Map Room

SUBJECT: Report Received in OSS

Transmitted herewith for your information is copy of two dispatches received from the Bern office of this agency. This report concerns the account of a prominent Hungarian on internal conditions in Hungary, and his ambitious plans for Hungary's future.

Oliver Jackson Sands, Jr., Lt. Col.
Acting Assistant Deputy Director, OSS Intelligence Service

Enclosure.

cc: Department of State.

DECLASSIFIED
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By SK Date MAY 6 1975
HUNGARY: Prominent Hungarian's Account of Internal Conditions; Makes Ambitious Plans for Hungary's Future.

The following is a resume of a report, transmitted by OSS Bern, from a most prominent Hungarian who occupied a very responsible position before the Nazis invaded Hungary:

Internal Conditions: Weesenmeyer, the German Minister, and the Gestapo are in control of the country. The Gestapo supports Laszlo Baky (Secretary of State in the Ministry of Interior) and Endre (in charge of Jewish affairs in the Ministry of Interior); Weesenmeyer is supporting Imredy (present Minister for Economic Affairs). The Gestapo seems to have the upper hand.

Source complains that everything is now lost that he has struggled to save in Hungary.

No reliance can be placed on the workers and peasants. Nine-tenths of the working populations now support the Nazis, particularly in those areas where US aviators have been machine-gunning the population, dropping toys loaded with explosives and carrying on poisoning. The source is evidently susceptible to standard German propaganda. One-half of the upper classes is in jail, while the remainder is intimidated.

The occupation of Hungary by the Germans has bettered the country's international position instead of making it worse. Although the Nazis found the Hungarians receptive to their ideology because of the people's fear of Communism, the Jewish question, the Treaty of Trianon, and the foolish propaganda by the British, still Hungary is the only satellite country which opposed Germany. It was only by force of arms that the occupation was effected; Rumania did not do as much.

Eighty percent of the army is still dependable, but only two or three weak divisions are presently in Hungary; the best units are on the Soviet front.

Admiral Horthy: Although Baky engineered the unsuccessful attempt at the Regent's life, he is still a free man. The prospects for the immediate future are (1) military dictatorship in case that the Admiral survives, or (2) the assumption of the Regency by Imredy. If these alternatives...
tives do not occur, then (3) the existing state of anarchy will lead to Germany's establishing a Protectorate. The Regent is still struggling ahead, but he is without support and is thinking of resigning. In case that Admiral Horthy were able to get out of Hungary, source wishes to know whether recognition would be extended to him. Source asks about the possibility of establishing a government in Portugal, Sweden, Turkey, or some other neutral country. It is necessary that cooperation not be extended to any government other than the legitimate one of the period before 19 March. Source himself cannot get out of Hungary now.

Concerning the future, source suggests that foreign soldiers should not be used to create order in the country, should the Nazis evacuate Hungary without a struggle. In the event that Hungary should become a scene of fighting, even then only soldiers should enter the country, not political agencies. Admiral Horthy should be allowed to remain in the country.

Source states that the only possible post-war program for Hungary is an orthodox liberal nationalism, together with an energetic policy of social reform. Karolyi or Benes are wholly unacceptable to Hungary. As far as Archduke Otto is concerned, however, the situation is different. Otto is the rightful heir, and if the restoration of the monarchy seems to be feasible, it would be well to start activity for it now. Otto will not receive any US backing till after the Presidential election, hence the campaign must not be premature.

An effort should be made to preserve the present Hungarian territory, putting off a final settlement for the future. No one can predict such ultimate settlement. There may be an Austrian-Czech federation. Source envisages that Hungary may become a monarchy whose different nationalities will be given autonomy. Transylvania may be given the status of a canton, and the same might be done with Croatia. One could dispose completely of the Hungarian problem by shifting some one million persons.

(The OSS representative in Bern observes that the original communication indicated that the source was desperate and worried when he composed it. OSS analysts in Washington caution that a great deal of the information seems to represent special pleading rather than reliable observation, and that the recommendations for the future appear rather unrealistic.)

(OSS Official Dispatches, Bern, undated)