

● PSF

AUSTRIA

1933 - April 1944

File
Austria

This is from Louis Einstein PSF: Austria [1933?]

MEMORANDUM ON THE AUSTRIAN SITUATION.

Since the war, Austria has been the sick man of Europe, but until Hitler's advent with little risk of contagion. The new situation in Germany has brought to the fore a new struggle for the Austrian succession which is the most dangerous question today in Europe.

Four solutions have been proposed. (1) The Anschluss with Germany; (2) a Danubian Confederation; (3) a Habsburg Restoration and union with Hungary; (4) an Italian solution to link Austria and Hungary economically with Italy. France and Czechoslovakia oppose the first and third, Italy and Hungary, the first and second; Germany is against the second, third and fourth and Jugoslavia resists the last two. Austria has today a monarchist government which favors the former dynasty but dares hardly go further when even the Czechs, as a choice of evils would prefer to see the Nazis at Vienna to the Habsburgs.

Little has recently been heard about the Danubian Confederation. Originally a pet scheme of Dr. Benes, the intention was to revive the economic advantages of the old Austro-Hungarian monarchy without its political sides. This would have been distinctly beneficial to the Czech manufacturers but Jugoslavs and Roumanians were never more than lukewarm to the idea and Austria failed to respond. A similar plan launched by Tardieu in 1932, fell through owing to the joint opposition of Italy, Germany and Hungary. It is

not impossible that some day the Confederation idea will be revived, though for the present it is stalled.

The Italian plan, in the ascendancy today, at Vienna, and Budapest, rests on a restricted economic basis and an ill defined political relationship which found a vague expression in the Protocols signed in March of this year at Rome. So far as this bolsters up the Dollfus Government in Vienna against the Nazis, Italy enjoys the sympathy of Paris and Prague, but to the extent that it favors the revision of the Peace Treaties in the Magyar interest and aims to create a solid bloc out of Austria and Hungary, it meets with the opposition of the states of the Little Entente.

Mussolini might be glad to set the Habsburgs against the Nazis but fears the responsibility of making the Archduke Otto into an Austrian Henry Pu, and knows that an attempted restoration might be followed by a Nazi and Yugoslav counterstroke. The Little Entente is at one with Germany in opposing the return of the Habsburgs. Only lately Hitler told the Yugoslav Minister in Berlin that his mother lies buried in Austrian soil and if he allowed Austria to be ruled again by that "degenerate" dynasty he would feel as if he had spat on her grave.

Hitler deals a double blow to Austria and France, when he attempts to detach from French allegiance the countries of the Little Entente by bringing out common interests and taking conciliatory measures toward these. He began by calling off Nazi propaganda among the Germans in Bohemia where it had originated.

He has offered to sign treaties of non-aggression with all three States which in the case of Czechoslovakia was politely rejected as superfluous in view of Locarno and the Kellogg Pact. Dr Benes renews his loyalty to France, but stated lately before Parliament that he, with President Masaryk during the war, had recommended the incorporation of Austria in the German Empire. Whatever happens he asserts the Czechs need have no fear for their own future. These are brave words but if the Nazis hold Vienna, and Czechoslovakia was surrounded by Germany on three sides, with three and a half million Germans in her midst, it is difficult to see how the Czechs could survive except by working with the Reich, and repeating the experience of the Middle Ages when the King of Bohemia was also an elector of the Holy Roman Empire.

In Roumania, the Nazis are today notoriously influential. Their propaganda has long been active among the Transylvanian Saxons and the Swabians in the Banat, and they are believed to have heavily subsidized the Iron Guards who are now so powerful that no Roumanian dares to speak ill of them. The amazing acquittal of their leaders after Duca's murder came lately as a revelation of strength.

Yet the most remarkable recent development which is to-day alarming Paris and London, is Hitler's growing intimacy with Belgrade. The principal smuggling of Nazi propaganda into Austria no longer takes place by Salzburg and the Tyrol but across the Yugoslav frontier and with the connivance of the authorities. The first point of contact with King Alexander is anti Habsburgism for

Nazi Vienna offers no attraction to the disaffected Croats and Slovenes. Beyond this it is anti-Italian and informal discussions have lately been reported from Belgrade regarding an eventual division of 350,000 Slovenes and 90,000 Croats who inhabit Venezia Giulia. The Nazis only desire Trieste and the rest is indifferent to them.

To win over the Little Entente, Hitler has been prepared to sacrifice Hungary which with similar grievances to those of Germany was formerly regarded as a natural ally. Even more remarkable in showing Hitler's wish to obtain a free hand in Austria and avoid being diverted by complications elsewhere, has been the readiness to risk his popularity in Germany by the ten year non-aggression pact with Poland, which would have been condemned as treason if signed by any former Chancellor. No previous German government has been so careful to avoid incidents with the Poles or shown itself so conciliatory in settling those which have arisen. Hitler has given up none of his ambitions to regain the Corridor, but he virtually has declared to the world that the most discussed provision in the Treaty of Versailles is no obstacle to recovery.

The German policy to isolate Austria from the cushion of small states around her is inherent to the Nazi program of incorporating seven million Austrians at first without formal annexation and as a nominally independent Austrian Nazi state.

For generations a similar wish has been close to the heart of every Pan German for Nazi racialism is only its modern expression.

For Hitler whose Austrian birth has so often been thrown in his face, and who has never forgotten his early humiliations at Vienna, this would mean the greatest personal triumph. It would also be the greatest political triumph. There are no longer any Habsburgs or Romanoffs to restrain a German expansion which skilfully uses a subsidized propaganda to find supporters in every state. Germany firmly planted at Vienna in the natural capital of central Europe would then be able to extend her influence, interests and control far beyond actual frontiers. For a Nazi Vienna means the eventual control of the entire Danube basin with sixty million people who inhabit six states greatly divided among themselves, separated from without and torn from within by age long dissensions, and five of which contain important German minorities.

In Austria the Nazi party is well organized and confident with abundant funds and a definite program. It numbers probably a third of the population though the actual figures count for little. The present aim is to wear out the Dollfus government and to bring about its fall less by actual violence than by economic pressure and propaganda. The terroristic acts are intended to intimidate and show that the authorities cannot prevent these. The pressure of the Nazis can be increased or modified in accordance with the orders received from the Brown House in Munich.

To resist the aggressive tactics of the Nazis the Dollfus government rests on shaky foundations. The Austrian Chancellor is obliged to lean on Prince Starhemberg who is an unstable person

and the Heimwehr he controls, a none too dependable body. Behind this is the support of Rome and Paris, but Italy is hard pressed financially and Italian aid against other Germans is difficult to justify. Against Nazi fanaticism Dollfus has tried to set up an Austrian Catholic patriotism. The Habsburgs are kept in the background but the Habsburg hymn, with new words, has once more become the national anthem. Dollfus understands the difficulties which stand in the way of a Restoration and that a premature move might forever ruin the monarchist cause. His own position is precarious and if the fight were only between Hitler and Dollfus the issue ~~would~~ not be doubtful for the Nazis could probably overrun Austria tomorrow if they wished to.

Hitler's hesitation before going ahead is understandable in view of the danger, ^{although} ^{is} Austria ~~may~~ be the only country in which a forward policy could be made to originate locally in such a way as to confuse the issue of aggression and throw the onus for this on the Italians and the French, if they attempted to oust the Nazis from Vienna. As this is highly probable, it would mean giving Italy and France a common ground to unite in supporting the Peace Treaties and Germany as yet does not dare to risk this possibility. The question if Hitler wishes war should only be asked in terms as to whether he is able to make it and if it is to his interest to fight before he is prepared. From a military point of view Germany although rapidly forging ahead is not yet ready, and economically she is going down hill and Nazi popularity, it is believed, ^{is}

beginning to wear thin. The Hitler régime needs a success to justify its claims but can gigantic fresh burdens be imposed on a Germany whose economic position has lately been greatly strained. The present riddle is to know if the continually increasing difficulties will precipitate or delay Hitler's paramount ambition. Will he pause or proceed further. If he decides to go ahead in his Austrian policy there can be for him no half way house, for the attempt to seize Vienna will either end in creating a Reich of Napoleonic grandeur or else bring on a disaster for the entire Nazi régime.

Personal

Austria

December 22, 1935.

My dear George Earle:

I am delighted to have your letter, and you have helped me to form a picture of Central Europe. Events are certainly not easy to forecast, and my only hope is that German sanity of the old type that existed in the Bismarck days when I was a boy at school in Germany will come to the front again. I only hope that the present very real danger will not extend to Vienna. You are in a post of extraordinary importance and responsibility at this time, and I am delighted, from all I hear, to know that you are doing such a fine job. Strictly between ourselves, I am glad that you committed what some have suggested was a diplomatic blunder. I can assure you it did not embarrass me at all!

I hope the new policy of exchange of goods will help us to take some Austrian wines. I doubt the possibility of cheese, unless it is cheese of some fancy variety which we do not and cannot make over here.

Happy New Year to all of you.

Very sincerely yours,

Honorable George F. Earle, 3d,
Embassy of the United States,
Vienna, Austria.

Vienna, November 27, 1933.

The President,
The White House,
Washington, D. C., U.S.A.

My dear Mr. President:

Following your instructions, I have called on the American Ambassador in Berlin, and the American Ministers to Prague and Buda Peth.

I have also just completed a journey through the nine Austrian provinces in which I interviewed the Governors, Commanding Generals and Chambers of Commerce. Chancellor Dollfuss has talked frankly to me many times, as did President Masaryk when I was in Prague and I have utilized every opportunity possible to learn the sentiments of politicians and business men in Austria, Germany, Hungary and Czecho Slovakia.

The last four years have been bad ones for prophets, but since your orders were to send you my impressions, I am doing so.

Economically, Central Europe is barely holding her own. The people to a man in these countries, are watching

your progress in America, feeling that if a turn for the better is to come it must originate in America.

In Austria, the economic situation is slightly better. If only trade relations with other countries could be but slightly improved, Austria would be on the road to much better things and the Dollfuss Government firmly established. If foreign trade does not improve, the Dollfuss Government will fall.

In Germany, there is a slight improvement in business since June, but conditions are much worse than a year ago. Her shipping and foreign trade have suffered tremendously due to the Jewish boycott.

Politically the whole situation in Europe centers on Hitler. In my opinion, he is a paranoiac, with a gift of eloquence of a kind about half way between Bryan and Billy Sunday. He is opportunist enough to capitalize the German reaction against the Versailles Treaty, magnify the Communist threat and stir up the latent racial antipathy of the Germans to the Jews, a thing easy to do since the Jews still have a little left, in contrast to the utter impoverishment of the Germans.

He has made the militaristic spirit today in Germany the most intense in her history.

What a paranoiac will do when he feels his power waning, and whether Germany is adequately armed, are questions I can not answer.

Hitler is an Austrian and more than anything he wants Austria as part of the German Reich. The crude

tactics he has used to break the Austrian resistance, has resulted in the growth of a real Austrian Nationalism, that never existed before. In the past, the Austrian children were taught that the history and traditions of Austria were inseparably linked with the Hapsburgs. With the fall of the Hapsburgs, the Austrians were bewildered and hopeless and ready to become a province of Germany. Now, thanks to Hitler's methods, only the Nazis want the Anschluss.

Of one thing I am sure. Hitler has surrounded Germany with a ring of enemies bound together by a great fear of the ruthless military efficiency of the Prussian.

The Hitler virus injected into the German veins is well exemplified by the German Minister Rieth here.

He takes the most insolent attitude toward the Austrian Government, ignoring the invitations of the President and Chancellor to their receptions, saying that the Austrian Government is purely a makeshift affair and will end at any moment.

When he returned my call, he asked me if I would frankly tell him my impressions of my trip through Austria.

I then told him I had found the Nazi sentiment had decreased.

Rieth became very angry, said that he had agents in every class and occupation in Austria, that Austria was 50% Nazi, that a Nazi putsch would sweep Dollfuss out at any moment and then would come a pogrom such as Europe had never

seen, that every Jew of every nationality would lose their property and be lucky to escape from Austria with their lives.

There are several hundred American Jewish doctors, students and their families here that I feel personally responsible for.

If this putsch comes, as most of the foreign diplomats and newspaper men believe it will, I am afraid there would be little I could do or say to help them in the hysteria of that time.

For this reason in telling the press about the beauties and resources of Austria that I saw in my trip, I injected the statement that we Americans were purely observers and what Austria did internally was her business and not ours, but that since 90% of Americans were descended from people who had come there to escape racial or religious persecution, that the sympathy of the American people would not likely remain with a nation that indulged in such persecution.

The Austrian is like a college freshman who desires popularity above all else and members of the foreign office have told me my statement would have great influence, and Dollfuss said that it had not only not embarrassed him but had helped him in dealing with this issue.

I understand there has been criticism of my statement in America.

Please believe me, Mr. President, that I regret more than I can say if sentiments of humanity on my part and a desire to protect American citizens have caused me to commit a diplomatic blunder and embarrass you in any way. I assure you I shall be very careful of what I say in the future.

In summarizing the situation, I believe the peace of Europe depends upon the independence of Austria and that Austrian independence depends entirely on her economic welfare.

Before I left America, I talked with prominent business men, publicists and bankers.

All were willing to do everything in their power to promote trade with Austria. Dollfuss is enthusiastic about such a plan and wants me to go back with a business representative of the Austrian Government in January to discuss the matter and get action if possible.

In the last three years America has lost millions of dollars of exports to Austria in meats, automobiles, etc., which could be replaced if we would take her wines, cheese, etc.

In closing, may I quote the words of Sir Walford Selby, British Minister to Austria:

"If the Nazis come to power and attempt the Anschluss,
some army will march!"

Respectfully and loyally yours,

George H. Earle III

(1933)

Copy of this letter sent to the Secy War, as per (Austrian folder) 1-43
the President's notation.

4/30/43

WAR DEPARTMENT
WASHINGTON

"H. L. S.
D. R.
7. D. R."

April 17, 1943.

MEMORANDUM FOR THE PRESIDENT:

Subject: The Austrian Battalion.

In view of the interest expressed by you in the Austrian Battalion, I wish to inform you of the present status of that unit.

The Austrian Battalion was sponsored by Archduke Otto of Hapsburg-Lorraine who organized a military committee to assist in the recruiting of volunteers among Austrians in this country. The efforts of this committee have proven unsuccessful. Very few volunteers have been received to date and it is highly improbable that a sufficient number of volunteers will ever be received to complete the organization of this Battalion or maintain it at full strength. The War Department attempted to fill this unit by direct assignment of all Austrian aliens entering the Army. This resulted in a general lowering of the morale of the unit and created undesirable political repercussions.

Since a combat unit composed of enlisted men who were resentful and of low morale would be of little military value, it was necessary to put the unit back on a voluntary basis. A battalion of this type requires a strength of 931 men. It appears that only 144 men will remain after the transfer of those who are unwilling to stay. The reaction of the American public to the Austrian Battalion has been negative and it is doubtful if it will ever have any propaganda or military value.

The Chief of Staff recommends that the Austrian Battalion be disbanded, and I agree with him. However, before taking final action, your wishes in this matter are requested.

Secretary of War

(1044)

hm

Austria folder

1-43

THE WHITE HOUSE
WASHINGTON

May 11, 1943.

MEMORANDUM FOR
THE SECRETARY OF WAR
TO READ AND RETURN
FOR MY FILES.

F. D. R.

Letter from Robert of Austria, New York City, 5/9/43, to the President, enclosing a memorandum about his ideas concerning the future of the Austrian Battalion, which is the outcome of his observation of the Battalion here and the war experiences which he gathered in Great Britain from interrogating prisoners of war and watching commando raids.

WAR DEPARTMENT
WASHINGTON

Austria folder
file 1-43

THE WHITE HOUSE May 14, 1943.

MAY 15 8 56 AM '43

RECEIVED

MEMORANDUM FOR THE PRESIDENT:

I am returning herewith for your files
the correspondence pertaining to the Austrian
Battalion, which General Marshall and I have read
with much interest.

Henry L. Stimson

Secretary of War.

May 14, 1943.

MEMORANDUM FOR THE PRESIDENT:

I am returning herewith for your files the correspondence pertaining to the Austrian Battalion, which General Marshall and I have read with much interest.

HENRY L. STIMSON

Secretary of War.

ECN

OSW 320 Austria (5-14-43)

New York City
May 9th, 1943

Dear Mr. President,

Before leaving your great country I wanted to write to you to thank you for the kindness with which you have received me and to express my most sincerest thanks for the beautiful picture of yours which you have sent me. It was indeed a great pleasure for me to have a talk with you and to take with me this wonderful souvenir of a most delightful and interesting meeting with the inspiring leader of Austria's great Allied Nation.

I take the liberty of enclosing a short memorandum about my ideas concerning the future of the Austrian Battalion which is the outcome of my observation of the Battalion here and the war experiences which I gathered in Great Britain from interrogating prisoners of war and watching commando raids.

With again so many thanks for all your kindness, I remain, Mr. President

Yours very sincerely

Robert of Austria

THE AUSTRIAN BATTALION.

I. The importance of the Austrian Battalion.

Contrary to the opinion of some people the importance of the Austrian Battalion is not so much as a fighting unit -such a unit would always be a drop in an ocean- but there is also an immense political value.

According to the most reliable informations, especially from neutral countries, the establishment of the Austrian Unit in the U.S. Army had a great influence on the Austrian morale. Already a few weeks after the creation of the Battalion a flare-up of unrest and sabotage in Austria was reported. Even the German radio and press noted warnings and death sentences for many Austrian patriots. It was for the first time that Austrians saw that their independence was really guaranteed by facts and not only by Allied propoganda. The German newspapers in Austria felt, that the creation of the Austrian Battalion was such a blow, that they published articles saying, that in the case of a German defeat Austria is going to suffer the same fate as the whole Reich. For more than two weeks the German newspapers in Austria tried to soften that blow.

There is one fact which ought not to be forgotten. There are about 400.000 Austrians scattered over the whole German army. These men have been forced to fight in the German army. It must be admitted that while a few fought with enthusiasm against Russia, all Austrians were poor fighters as soon as they came up against the Allies. This was proven in Norway and Greece. It is known that since the occupation of those two countries Austrians in the German army have helped the local underground movements extensively against Germany.

It can therefore be said that the bulk of the Austrians are in favor of the Allies and ready to help them if any kind of encouragement can be given. Up to now it was difficult for them to desert or to make sabotage in the German army because there was very little hope for them to escape punishment. One who sees the list of the Austrian soldiers executed by the Germans must realize that even in this hopeless situation many have dared to make the supreme sacrifice to help the cause of their country.

The knowledge that there exists an Austrian Battalion ~~is~~ in the U.S. Army will encourage the Austrians greatly to desert as soon as they are going to face the Allies on the continent. The Austrians can be for the Allies the Fifth Column within the German army.

It appears clearly that the Austrians -forcibly in the German army- can be of a greater help to the Allies than any other nation. But there ~~is~~ also another problem, which makes Austria the most vulnerable spot in German hold Europe. Austria is at this time not only the most important industrial production center for Germany -no bombing has up to now disturbed the industry of iron, steel, air-planes, textiles, explosives, fertilizers, motorcars and railway-repairshops- but it must be pointed out, that all the military traffic to Southern Russia, Rumania, Hungary, the Balkans and to Italy has to pass Austria. There are only two railways crossing the Alps, over the Brenner and the Southern line to Venice. 90% of all trains to Italy run through Austria and 85% of all trains to the Balkans too. In the moment of an Allied invasion of the Balkans or in Italy, the Germans

would be forced to rush all men and material through Austria. Austria will then be the heart of the German defense system and most vulnerable to sabotage.

If the Austrians know that they have a chance to fight successfully against their oppressors, they will strike with all their power.

II. Reorganization of the Austrian Battalion.

Knowing the importance of the Austrian Battalion for the fighting morale of the Austrian nation, it is essential to organize the Battalion for the best use of its purpose.

It must be admitted that due to the influence of certain foreign elements and to an unfair criticism of certain newspapers the Battalion had less success as it was expected. On the other hand certain military circles considered the Battalion only from the point of view of a fighting unit and did not recognize its moral value. It must also be admitted, that certain circles have voluntarily sabotaged the effort to build up a Battalion by ordering recently that every boy who gets the American citizenship must leave the Battalion. Now every Austrian volunteer gets the U.S. citizenship automatically after three months service. In this way no Austrian Battalion can ever be raised.

It would therefore seem to be useful to take the problem from another angle.

The Austrian Battalion should be organized as a special troop instructed for the purpose of handling the Austrian prisoners of war and deserters. Most of the volunteers having university education would be suited for the job of intelligence. They could be trained as officers so that when the deserters would come in, they can be entrusted with the job of commanding a real military unit composed of those deserters and to interrogate the incoming men to get the maximum of information of military value. It must be remembered that people always confide their knowledge much more readily to their fellow countrymen than to foreigners whom they do not know. The Austrians ought also to be trained for the purpose of policing the country when it is occupied by the Allied troops and to help the Allies in their contact with the local population. One must remember that the Austrians know their country and know also a great many people who can be trusted to be 100% pro Ally.

This principle has been already applied in the British commando raids on Norway where it is due to the accompanying Norwegians that everything went smoothly and that the Norwegian population understood immediately what it was all about.

To speak practically, a high ranking officer ought to be appointed in charge of the Austrian Battalion capable to give the men a special training and independent enough not to have to worry about regulations concerning other American battalions whose job is only to fight and who are not selected for such special jobs as the Austrian one. He ought to have direct access to the highest military authorities without having to go through all the stages of military hierarchy and by doing so antagonize certain people who do not understand the political implications of the Battalion and consider it as another of the many fighting units of the U.S. Army. Already 25 to 30 boys have volunteered for a commission and were due to leave in a very short while for the Officer Training School. When the whole outfit has been thoroughly trained for the job, it should be sent abroad so as to follow immediately the first troops launched against the continent in the sector nearest to Austria. In one word to have a "CADRE" able to take over prisoners and deserters and moreover trained for intelligence jobs and policing. These have been the methods adapted by the Germans when they had only a small army and which allowed them in a very short time to create seemingly out of nothing the efficient Reichswehr which we have to fight now.

June 12, 1943.

My dear Otto:

Your letter of June first has been read with some care and I have requested the Department of State to examine the points set forth therein.

As you know, various projects for the formation of groups who would provisionally represent the Austrian movement in this country have had the careful attention of the officials of this Government. I know, however, you will realize that from the outset, and I go back to a statement regarding Free Movements issued by the Department of State in December 1941, this Government has never undertaken to determine what should be the membership of a group broadly representative in character that would keep alive the independent spirit of those nations which have been overcome by force.

I need hardly add that the American people would gladly see the people of Austria again take their place as an independent nation, and this Government will continue to examine whatever plans may be helpful to the united Austrian people in determining their future and in aiding them, in line with the general purposes of the United Nations, to make an effective contribution toward their liberation.

Very sincerely yours,

(Sgd) FRANKLIN D. ROOSEVELT

H.R.H.
Archduke Otto of Austria
Broadmoor Hotel
Washington, D.C.

DRAFT

My dear Archduke:

Your letter of June 1 has been read with some care and I have requested the Department of State to examine the points set forth therein.

As you know, various projects for the formation of groups who would provisionally represent the Austrian movement in this country have had the careful attention of the officials of this Government. I know, however, you will realize that from the outset, and I go back to a statement regarding Free Movements issued by the Department of State in December 1941, this Government has never undertaken to determine what should be the membership of a group broadly representative in character that would keep alive the independent spirit of those nations which have been overcome by force.

I need hardly add that the American people would gladly see the people of Austria again take their place as an independent nation, and this Government will continue to examine whatever plans may be helpful to the united Austrian people in determining their future and in aiding them, in line with the general purposes of the United Nations, to make an effective contribution toward their liberation.

*OK
to prepare*

DEPARTMENT OF STATE
WASHINGTON

June 10. 1943

My dear Mr. President:

I am returning herewith the letter addressed to you under date of June 1 by the Archduke Otto, accompanied by a draft text of what seems to the Department to be an appropriate reply.

The text of the proposed outgoing letter has been left in this draft form since the concluding paragraph of the Archduke's letter contains a request on another matter which may require your personal attention.

Faithfully yours,

Cordeell Hull

Enclosures:

1. Letter from Archduke Otto.
2. Draft reply.

The President,

The White House.

Department of State

BUREAU
DIVISION

EU

ENCLOSURE

TO

Letter drafted

ADDRESSED TO

PRESIDENT



Washington D.C., June 1st 1943.

Dear Mr. President,

A few weeks ago, - on May 4th - my brother Robert had the honor of being received by you and on this occasion submitted to you, Mr. President, a precise plan how a provisional, non-partisan Austrian National Council or Government could be formed. The proposal aimed at the creation of an Austrian Representation which, in the spirit of the Atlantic Charter, would not interfere with the future decision of Austria, while giving that country a representation for the period during which the Austrian people - just as the other Axis-occupied countries - is forcibly silenced. As you will remember, the proposed setup did not include my person.

You had the kindness to refer the whole matter to the Department of State. I understand now that some forces in the State Department seem to oppose even a provisional solution of the Austrian question at this moment.

I am very much afraid that without your personal intervention, Mr. President, the whole American policy in the Austrian question will have been made in vain.

It is just now at the dawn of the liberation of Europe by American forces that Austria may play a decisive part in shortening the war. Austria as the railroad and transportation center of Europe can do a lot to save many American lives. But in order to act, the Austrians must be encouraged. They must be shown that the United Nations will re-establish their independence and will consider them as one of their group. The Austrians are entitled to that by their heroic five-year resistance to Germany. But to arouse the Austrians to full action, mere words are not enough. A move like the creation of the Austrian Battalion was something real, tangible. Already the complete disbandment of the Bat-



talion is used widely by the German propoganda. It has had tragic effects in Austria.

In this situation an action like the one proposed in the plan of my brother would be the best solution. As pointed out, the representation would by no means infringe on the later decisions of Austria. I am sure that it would be hailed in this spirit by the Austrian people. It would re-establish complete confidence. It would give my country the feeling that it is represented, that it has a trustee acting for it in the free world.

I know, Mr. President, that you as the leader of the policies as well as of the military affairs on our side, will understand this point. That is why I take the liberty to appeal to you in favor of the creation of this non-partisan, provisional Austrian representation.

The people of Austria have confidence in you and your leadership: I know that they will not be disappointed.

It would be a real privilege for me if I could have the opportunity of a few minutes talk to you. At the same time I would be very grateful to submit to you some highly confidential information.

With my most respectful regards I remain,
dear Mr. President,

Yours very sincerely


Dillon of Austria.

THE WHITE HOUSE
WASHINGTON

June 4, 1943.

MEMORANDUM FOR

THE SECRETARY OF STATE

FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F. D. R.

Letter from Otto of Austria, 6/1/43, urging
the creation of non-partisan, provisional Austrian
representation, as suggested by his brother, Robert.

The solution of the Austrian problem.

The solution of the Austrian question is of the greatest urgency. The coming great conferences of the United Nations and the increasing contacts on peace planning necessitate the presence of the country which is the heart of Central and South-Eastern Europe. The steps taken by the U.S. Government in the Austrian question also make it imperative that they should be followed up.

It is obvious that the present-time political stratification of the Austrian emigration is not at all representative and that the differences among the political clans of the emigration are such, that the political emigration must be eliminated as the basis of the solution.

A solution of the Austrian problem can only be found through the creation of a neutral provisional representation which, although independent from the emigration, still has a certain legitimacy.

As there is no Austrian diplomatic representation abroad one could turn to the consuls as basis of such legitimacy. It is on this assumption that the present plan is founded:

The three Austrian consuls who are living in this country and who have not yielded to the Germans should write to the State Department, asking that in the spirit of the declaration of Secretary Hull of July 27th, 1942 they should be authorized to renew their activities as Austrian consuls. This would be accepted by the State Department.

The next step would be that a short while thereafter the consuls would write again to the State Department and suggest the recognition of a provisional Austrian National Council composed of such former Austrian diplomats and consuls who have still retained loyalty to Austria and their Austrian nationality. There are five such men living in the Western Hemisphere. This provisional National Council would in the same time write to the State Department asking for recognition. It would declare that it considers its functions as purely temporary and only as the duty to fill the gap. The provisional National Council would immediately retire as soon as a government would be formed inside Austria. The State Department could then proceed to recognize the Austrian National Council as the temporary representation of the Austrian State.

As soon as this recognition would be perfect, the Military Committee for the Liberation of Austria would disband and turn over all its documents to the National Council.

The last step would be a few weeks later when the provisional National Council would transform itself into a provisional Austrian Government and notify the State Department of this change. This note would emphasize that the provisional Austrian Government will retire at the liberation and that it does not want to influence the future constitution of Austria. The State Department would take cognisance of the transformation of the provisional National Council into a provisional Government. By this procedure the Austrian question could be solved for the duration of the war without arousing too much controversies, without creating party questions, in the best spirit of the Atlantic Charter.

*Austria folder
1-43*

*file
Personal*

**THE WHITE HOUSE
WASHINGTON**

6-15-43

MEMORANDUM FOR THE PRESIDENT:

I have a report from General Hershey regarding Otto of Austria, in which Hershey says they will proceed with his induction at his convenience.

When the Selective Service has completed their part, he will be given to the Army where he will first take his basic training at Camp Robinson, Arkansas. After completion of this course, he will be assigned to the Adjutant General's Officer Candidate School, Fort Washington, Maryland.

This will accomplish what was outlined by Breckinridge Long and approved by the President.

E. M. W.

E.M.W.

~~SECRET~~

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON

June 11, 1943.

MEMORANDUM FOR GENERAL WATSON:

I have been in touch with General Hershey regarding Otto of Austria, and General Hershey will proceed with his induction. When Selective Service has turned him over to us, we plan to assign him to the Branch Immaterial Replacement Training Center, Camp Joseph T. Robinson, Arkansas. Here he will undergo basic training closely akin to that of the infantry. Upon completion of this course, he will be assigned to the Adjutant General's Officer Candidate School, Fort Washington, Maryland.

F. McC.
McCarthy.

Franklin D. Roosevelt Library

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100D DIR. 5200.9 (9/27/58)

Date- 6-14-66

Signature- *Carl S. Spicer*

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

June 2, 1943.

MEMORANDUM FOR THE PRESIDENT:

General Hershey 'phoned about the case of Archduke Otto. He says that Otto, like his brothers, was registered by the Draft Board. His brothers have been called and inducted. Several times Otto's name has been brought to Hershey but each time he has pushed it aside thinking he would ask the State Department what information they have on the subject. When he did ask the State Department, Mrs. Shipley talked to Sumner Welles, who said there was no political implication, and that they could draft him as far as the State Department was concerned but he, Welles, thought they had better clear with the White House. Hershey wants to do exactly what we want done but asked me if he could get some clarification on this case. I attach herewith a memorandum from Breckinridge Long containing a suggestion for the disposition of this case.

E. M. W.
E. M. W.

**THE WHITE HOUSE
WASHINGTON**

June 5, 1943.

MEMORANDUM FOR

GENERAL WATSON:

Tell Hershey I agree with
this.

F.D.R.



DEPARTMENT OF STATE
WASHINGTON

June 2, 1943

MEMORANDUM FOR GENERAL WATSON
FROM BRECKINRIDGE LONG

You requested a memorandum of our telephone conversation this morning about Otto of Austria.

Our conversation was to the effect that all parties might be satisfied if Otto was taken in the draft and in due course assigned to a non-com training school and after graduation there to an officers' training school. He would eventually get out as a second lieutenant and could be assigned to some kind of noncombatant duty and gradually promoted, if his merit justified it, to about the rank of captain. - all with the understanding

that this is not very bailiwick.

B.L.



TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

Her Imperial Majesty
The Empress Zita
Royalston
Massachusetts

Delighted you and your two daughters can come
to lunch on Saturday. The hour is one oclock.

Franklin D. Roosevelt

FROM

Austria folder 1-4 5
The White House
Washington

September 9, 1943.

...

The White House
Washington

SEP 9 1 09 PM 1943

WB29 19

TDAH ROYALSTON MASS SEPT 9 1047A 1943

MISS GRACE TULLY

WHITE HOUSE

WOULD YOU KINDLY INFORM ME BY WIRE ROYALSTON MASS OF THE
LUNCH HOUR AT HYDE PARK ON SATURDAY. REGARDS

COUNTESS KERSENBROCK.

THE WHITE HOUSE
SEP 9 8 45 AM '43
RECEIVED

Dear Mr. President,

Many thanks for your kind letter of September 3d, received at this moment. I should of course prefer to come on Saturday, 18th in order to have the pleasure of seeing your son and his family, but I am afraid that the latter date is too near of September 21st and that something might occur which would prevent our meeting. Therefore I think it safer to choose next Saturday, September 11th, and I am looking forward very much to visiting you.

Following your kind invitation I shall probably bring my two youngest daughters, Charlotte and Elisabeth, with me, Adelaide unfortunately being too busy with her work right at this moment. She very much hopes to be able to come and see you a little later.

With my warmest regards,

very sincerely yours



Royalston, Mass., September 6th 1943.

September 3, 1943.

My dear Empress Zita:-

Confidentially, I hope to be home the two coming weekends and I am wondering if you could motor over to Hyde Park for lunch with any of the children you have with you on Saturday, September eleventh, or Saturday, September eighteenth. I hope so.

On the latter date, I hope to have my son, John, and his wife and children with me. He is returning from the Pacific Coast, having been ordered to a new warship.

With my warm regards,

Very sincerely yours,

Her Imperial Majesty
The Empress Zita,
Royalton,
Massachusetts.

Dear Mr. President,

Following your invitation to come and see you on my forthcoming stay in the United States, I want to let you know, that I have just arrived in Royalston, Mass. and that I am staying here probably until September 21.

I would indeed be very glad to have the opportunity of paying you a visit. I would be grateful if you would let me know as soon as possible what date would suit you best.

In case I should not be able to bring "the Professor" along with me, I would, according to your invitation, come with two or three others of my children.

My best wishes accompany Mrs. Roosevelt on her trip to the battle_ fronts.

I am sending you, dear Mr. President, my warmest regards



Royalston, Mass. September 1st. 1943.
Telephone : Athol 11, M.

Otto, of Austria

Austria folder
file 1-43

September 15, 1943.

Dear Otto:

I had a delightful visit from your mother and two of the girls at Hyde Park on Saturday. I just got back and have to leave again tomorrow evening, so I fear that it will be impossible for me to see you until ten days from now.

General Watson will get in touch with you at that time. I hope you will be back from the West. I hope, too, that you can bring your sister Adelaide to see me when you come. My mother told me that she would be here for a few days.

Very sincerely yours,

S/Franklin D. Roosevelt

H.R.H.
Archduke Otto of Austria,
The Broadmoor,
Washington, D. C.

Tea at West 5⁰⁰ ^{PM} Oct. 1-1943
with Archduchess Adelaide

Washington D.C. September 11th 1943.

Dear Mr. President,

Rather important news have reached me from Hungary, which I want to communicate to you personally.

I would like therefore to have, if possible, the opportunity to talk with you for a few minutes during this week. I am here in Washington until Friday night, when I will have to leave for a whole week. I am, as always, at the Broadmoor Apartments.

With my respectful regards I am, dear Mr. President,

Yours very sincerely


Willy of Austria

PSF: Austria folder, -43

THE WHITE HOUSE
WASHINGTON

Sept. 28, 1943

GRACE:

Invite both of them to tea
on Friday at 5:00.

F.D.R.

copy of Austria



*file
personal*

Washington, D.C.
September 27th, 1943.

Dear Mr. President,

Many thanks for your very kind letter of September 15th and your invitation to my sister Adelheid to come and see you during her forthcoming visit here in Washington. I want to inform you, that she will arrive here on the morning of Friday October 1st and will remain until Sunday October 3rd in the evening.

My sister would be so glad if she could have an opportunity to see you again during her stay here. She regretted so much that she could not come with my mother when she visited you in Hyde Park. Could you have the great kindness to let me know, what time will be convenient for you.

With my respectful regards, I am, dear
Mr. President

Yours very sincerely

Wlly of Austria.

Austria - 1943



Washington, D.C.
October, 3, 1943

Dear Mr. President,

Before leaving Washington I want just to drop you a line in order to tell you how glad I was to have seen you again and how much I enjoyed the tea at the White House.

I want to tell you also all my best wishes for your activities in the coming months. I am convinced that under your leadership we will see final victory in a not too far distant future.

I very much hope that I may soon have the opportunity to call on you again.

With my warmest regards I am, dear
Mr. President,

Yours very sincerely

Adelaide Archduchess of Austria

PSF: Austria folder
1-43

file

October 19, 1943.

Dear Otto:-

I am delighted to know that your Mother is coming down to Washington on November second. I count on seeing her but I cannot tell definitely because November second is Election Day and I am not sure just when I will go to Hyde Park or return to Washington. I will let you know in a few days.

It was good to see you and my "favorite Professor" the other day.

Always sincerely,

H. R. H.
Archduke Otto of Austria,
The Broadmoor,
Washington, D. C.

PSF: Austria



Washington D.C.
October 18, 1943

Dear Mr. President,

My mother just informed me that she plans to come to the United States at the end of this month for a short stay. She would like very much to take this opportunity to see you again.

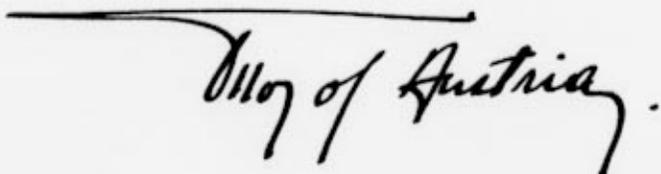
Her plans are as follows: She will stay in New York from October 26th till November first. She plans to arrive here in Washington on the evening of November 2nd or on the morning of November 3rd and to leave again on November 5th in the morning. She could arrange to come from New York to Hyde Park or see you during her stay here in Washington.

I would be deeply grateful, if you could have the great kindness to let me know the date and time that would be convenient for you, so that I might inform my mother.

It was such a pleasure for my sister Adelheid and myself to have seen you recently. We both enjoyed so very much the hour we spent with you.

With my respectful regards I am,
dear Mr. President,

Yours very sincerely


The signature is written in a cursive, handwritten style and is preceded by a horizontal line.

file
personal

Austria - 1944



Washington, D.C.
January 17th, 1944.

Dear Mr. President:

Just a line to tell you
my warmest thanks for the time I could
spend with you yesterday. The talk with
you was for me what all similar occa-
sions were: an inspiration and an
encouragement to continue to act for
the victory of the principles you represent.

I sincerely trust, that
something worthwhile will come from
the steps that are undertaken.

I hope to hear very soon

Yours
Sincerely,
/s/

from either Mr. J. C. Dumas or General Strong
about the coming of Carl Ludwig. Now
I believe, it will be possible to bring
Hungary to the table, on which she
should have been since the outset of the
war.

Hoping to see you soon again
and with my grateful regards, I am,
Dear Mr. President

Respectfully and Sincerely Yours

Ulysses S. Grant

To

The President of the
United States.

Washington, D.C.

~~SECRET~~

file

WAR DEPARTMENT
THE CHIEF OF STAFF
WASHINGTON, D. C.

action folder, 1-2-49

Franklin D. Roosevelt Library

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DDP 6200.0 (8/27/88)

January 19, 1942 *12-2-49*

Signature- *J. B. [unclear]*

MEMORANDUM FOR THE PRESIDENT:

In compliance with your instructions of yesterday General Strong contacted Archduke Otto last evening. The Archduke was informed that, in view of the impossibility of avoiding undesired publicity, it was considered unwise for his brother, Archduke Karl Ludwig, to proceed from Lisbon to New York with communications for Archduke Otto, with the idea of returning to Lisbon in a short time. Archduke Otto was informed that if he so desired, existing courier service for the Military Attache pouch would be placed at his disposition for communications between him and his brother. The Archduke accepted and expressed his gratification at the courtesy extended. He was informed that his brother should present any communication that he desired to forward to Washington in a sealed packet to the Military Attache in Lisbon who, in turn, would be instructed to transmit it to Washington in an envelope addressed personally to the A. C. of S., G-2, for transmittal by hand to Archduke Otto. Similar arrangements were made for communications from Archduke Otto to Archduke Karl Ludwig.

The execution of these arrangements will be the responsibility of Major General Clayton Bissell who has been designated as General Strong's successor in G-2.

[Handwritten Signature]
Chief of Staff.

~~SECRET~~

File - Personal
Who is this person?
Archduke Otto

March 1, 1944.

INTERNAL and FOREIGN

POLICY of HUNGARY

| | |
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I.

The internal policy of Hungary.The Government.

A.

The Government is unquestionably the strongest factor in shaping Hungarian policies at the present. The Prime-Minister, Nicholas Kallay, has sound statesmanlike qualities, is realistic and careful, at times much too careful. His merits can be judged if they are compared with the qualities of his predecessor, Mr. Bardossy. Mr. Bardossy took over from Teleki a honestly administered heritage, but in a few months had wasted everything. Kallay took charge of a politically bankrupt estate, kept things together and even improved conditions in some respect. During his leadership Hungary has certainly loosened the German manacles, that Bardossy allowed to be put on her. Kallay has also taken up the fight internally against attempts of Nazi sadism, trying to force Hungary into a practice of illegality, violence and persecutions. The purpose of his Government is twofold : a) to save the remnants of his country's liberty and independence, and b) to avert equally the two main dangers threatening Hungary : complete occupation by Germany, and sharing in German's fate after defeat.

The difference between the present Hungarian Government and the Governments of the neighbouring countries (Slovakia, Rumania for example) is considerable, for Kallay certainly is not a Quisling.

He obeys Berlin as far as pressure forces him to do so.- The following main features of Hungarian policy can be noted, which clearly prove that Hungary distinctly stands against Nazi "Gleichschaltung" and has never given up her traditional way of life:

1.) The freedom of the press and of public criticism has been maintained. Since 1939 the National-socialist "Pesti Ujsag" is the only daily paper which has been suppressed. At the Court Tribunal Count Bethlen made in summer 1942 a sensational utterance stating that the Fascist and National-socialist ideologies are in minority and that the world-war has certainly not yet been decided in their favor. This statement was allowed to be printed in the Hungarian press and brought about a storm of indignation in Nazi Germany.

2.) Hungary is the only country among the Nazi dominated States on the European Continent where Parliamentarism is still functioning. The Hungarian oppositional Parties enjoy the liberty of organisation. There is no discrimination against the Social-democratic Party; its trade-unions are also functioning freely and have recently enlisted a large new membership.

3.) The various religious denominations enjoy full liberty of worship. No restrictions have been applied against the Jews in religious matters, where they also enjoy full liberty of preaching. The Prince Primate of Hungary, Cardinal Serédi, repeatedly raised his voice in public to plead the cause of human liberty and equality for every individual. The Hungarian Government has rejected German demands to take steps against the Cardinal. In general, the influence of the various Churches and of the religious spirit was never so strong in Hungary as it is now.

4.) Spiritual life enjoys full liberty of thought. No

teachers, no university professors nor authors have been restricted in Hungary. And censorship imposed by the necessity of war is lenient. Up to the present day much interest is shown in Hungary for English and American literature. No product of the Anglo-Saxon scientific or artistic spirit has been banned and English books can be purchased freely in Hungary.

5.) Hungary has become in Nazi dominated Europe a real haven for refugees. - The "Berliner Boersenzeitung" has reported that more Jews live today in Hungary than in all the rest of Europe. The Hungarian Jews number 750.000 people who, despite the Jewish legislation forced unto Hungary by Germany still play an important part in the economic and financial life of the country. These Jewish laws, enacted by the Government, have only in part been carried out, and besides very reluctantly, by the administration, and the situation of the Jews is incomparably more favorable in Hungary than in the rest of Europe. The Hungarian Government has even extended asylum to numerous (more than 100.000) Jewish refugees fleeing from neighbouring countries. The Hungarian Upper House is the only legislative body in Nazi dominated Europe still having also Jewish members, and repeatedly expression was given in the Hungarian Parliament to the traditional liberal Hungarian viewpoint condemning anti-Semitism. On account of the human treatment of the Jews pressure and threats are being constantly used against Hungary by Germany. In November 1942 and in April 1943 Germany has made formal diplomatic representations to the Hungarian Government in this matter, but they were in every instance rejected as German interferences.

6.) The kind treatment of the Polish refugees - military and civilian - is generally known. The Polish refugees not only enjoy full freedom including the possibility of employment,

but also have established in Hungary their own cultural institutions, a Polish Highschool, a Polish College, where the Polish students are being educated. They are also admitted to the Hungarian Universities. - French, Belgian and Dutch prisoners of war, escaped from Germany, are also given an asylum in Hungary. They enjoy the same liberties as all other foreigners. Germany has repeatedly protested, but all the same the number of such escaped French, Belgian and Dutch war prisoners is constantly growing.

7.) Today, of all the Serbs only those who are administered by Hungary have been able to preserve their national identity and their cultural institutions. As an exception must be made mention of the deplorable acts of violence in Ujvidék (Novisad). This cruel retaliation against the Serbs was a consequence of the preceding Serbian armed invasion of the village of Zsalya. The Hungarian Government intervened unfortunately to late, but this act of lawlessness, which remained an isolated incident, was severely condemned by Prime-Minister Kallay in Parliament. The responsible high ranking army officers were indicted, but took refuge in Germany. The Hungarian Government recently has requested the extradition of these fugitives. - Before and after this regrettable event Hungary gave equally asylum to numerous Serbs, mostly of the intellectual class, and also endeavours to liberate from German captivity those Serbs, who were resident of the Hungarian-occupied zone and are now kept as prisoners of war in Germany. Hungary also shows full consideration for the rights of the Serbian Church. The continuation of Serbian cultural life has been rendered possible

by authorizing in Hungary the functioning of a leading Serbian cultural union, the " Matica ". The fate of the Serbs in other areas is very different. The Serbs themselves have recognized this fact and have freely pledged themselves to loyalty towards the Hungarian State.

8.) Complete liberty has been granted to the citizens of the United States and Great Britain, who uninter-
ruptedly continue in their former occupation. The same libera-
lity had been shown to them in the first world-war. It will be
up to them to relate about their fate once this war is over.

9.) It must also be briefly mentioned that Kallay has withdrawn most of the Hungarian troops from the Russian front, and since spring 1943 only dispersed remnants of the Eastern Hungarian army serve in the German rear as a police force. Hungary has also definitely refused all German requests for military con-
tingents and has thus provoked the wrath of Hitler.

10.) Hungarian policy both in feeling and in practice respects the basic principles of Christian civilization. Sporadic excesses have by no means been planned, but were the outcome of German interference, uncontrollable mass reactions or simply of mob violence. More than ever does Hungary appreciate in her present plight the value of her Christian tradition. She has accepted for practical guidance and has taken to heart all the admonitions of the Holy Father.

Kallay and his foreign Minister, Ghyczy, have also recognized correctly their duty in directing Hungarian foreign affairs toward more independence. They oppose equally Nazism and Bolshevism within Hungary. On November 30th 1943, in answering in the Hungarian Parliament to the oppositional speak-

ers in the debate on the budget, Kallay emphasized that there existed a precipice between himself and Mr. Imrédy (the pro-Nazi Hungarian leader), because Mr. Imrédy had again been denouncing his Government to the Nazis. He also stated ~~that~~ his position towards Bolshevism and declared : " Sincere fight against Bolshevism ! This short sentence is my answer and I could not express a more serious sentence. "

B.

The trend towards more independence can also be noted in the changes effected by Mr. Kallay in the persons of some of his Cabinet Ministers. The pro-German Mr. Homan (Instruction) was replaced by Mr. Eugene Szinyey Merse, a prominent Catholic, openly professing also in politics the Catholic viewpoint. Mr. Francis Keresztes-Fischer is undoubtedly a most valuable member of the Cabinet (Interior). The orderly functioning of Hungarian administration and the undisturbed internal order of Hungary are undoubtedly largely his merits. He also is responsible for the human treatment of all refugees. Hitler personally had forced out General William Nagy (War) from the Cabinet for having refused to the Gestapo the surrender of a saboteur from the Balkans, who had taken refuge in Hungary. But Kallay replaced him with an equally reliable General, Louis Csatay. The two pro-Nazi members of the Cabinet are Mr. Reményi-Schneller (Finance) and Louis Szasz (Food). - Mr. Reményi-Schneller was recently relieved from his other portfolio (Economic Administration), which

Mr. Kallay himself took over. Besides Mr. Reményi-Schneller and Mr. Szasz, it is Mr. Francis Zsindely (Commerce) who are responsible for the economic aide given to Germany by Hungary.

C.

The divided orientation expressed by the two fractions within the Cabinet can equally be found within the Government Party. The Hungarian Parliament was adjourned from May 4th 1943 to November of the same year. In the middle of October two separate dinners were organized by the two opposed factions of the Government Party, which are characteristic for the internal situation within the Majority Party. The first " silent dinner " was given by Mr. Francis Barczay, Vice-president of the Government Party and, at the same time, leader of the Agrarian block within that Party. This Agrarian pressure group had been organized in 1932, well before Hitler's coming to power. Its main purpose always was the protection of Hungarian agricultural interests. Hungarian farmers had profited from the Nazi policy of self-sufficiency, having found a vast market in Germany, based on the barter-system. Thus the Agrarian block gradually developed pro-German sympathies, having been saved by Germany from the disastrous consequences of the economic depression. On the other hand, within the same Government Party, in the spring of 1943, an industrial and commercial group was formed in order to protect these interests. This group informally had been already previously in existence, its purpose

being to protect Hungarian industrial and commercial interests against severe German competition and against the flooding of the Hungarian market with unnecessary industrial goods. In the spring of 1943 however they formally organized themselves into the Government Party's " Industrial and Commercial Group ". The organizers were three University Professors : Desider Laky, who also was elected President of the Group, Gustav Szabo, former organizer of the Boy Scouts, and Julius Waelder, a well known architect. They formed four sections within their Group : industry, artisans, commerce and labour (including white collar and manual labour). - By the end of the summer 1943, this Group summed up its political views in a Memorandum and presented it to the Prime-Minister. They asked for a more active democracy and this first step was considered by many as a start to create a rapprochement to the democratic oppositional Parties. The President of the Government Party, Adalbert Lukacs, took a stand against this splitting of the unity of the Government Party into two factions, and no further public demonstration was made. However, the two Groups have maintained their separate view - points and the Industrial Group is considered in Hungary as opposed to Nazis.

Pressure was put on the Hungarian Government also by a third Group, not strictly political. After the brutal intervention of Germany in Italy in September 1943, the Federation of Hungarian Industrialists, in a confidential Memorandum, requested the Hungarian Government to yield to German wishes and to pursue generally a policy which would save Hungary from complete German occupation. This step was dictated by the fact that

most of the Industrialists in Hungary are Jews who fear most of all German occupation. But obviously this step was not inspired by Nazi sympathies.

On October 21st 1943, as an opening to the political campaign, the Government Party held its first regular meeting. The Prime-Minister openly confessed in his speech, that public opinion was shifting towards the Constitutional Opposition. The Minister of the Interior also gave an answer to questions raised concerning the successful organization of the Parties of the democratic opposition. He emphasized that he would consistently adhere to the principle also maintained always by his predecessors, that all parliamentary Parties should be granted full liberty of action, only submitted to the restrictions imposed by law and the interests of public order. He declared that the Government Party was, as always, opposed to Marxism. But the fight against that ideology has to be carried out in the ideological field, and not by restrictions and prohibitions.

The Opposition.

The Hungarian Parliament consists of two Houses:

a) the Upper House (Senate), which does not follow Party lines, but represents professional, territorial or traditional interests (trade-unions, professional chambers, universities, Churches, Counties, townships, etc.) . This House is generally conservative, but does not follow blindly the Government. It has for instance opposed the Jewish legislation and has prevented several of its excesses. In its overwhelming majority this House is outspokenly anti-German, and Count Sigray, Count

Bethlen and Cardinal Serédi are its leaders. b) the Lower House (House of Representatives). Its members are elected on a Party basis and three main groups are represented within that House. Until 1939 the Government " Party of the National Union " was only opposed from the Left by the " Small Farmers Party " (Peasant), the Social Democratic, the Christian Social and the Liberal Parties. In 1938 the ballot was extended and the vote became universally secret. In the last parliamentary elections, held in Hungary in May 1939, a third group emerged from the polls, representing the extreme Right, with pro-Nazi tendencies. The leader of this group today is Mr. Adalbert Imrédy, well known, but overambitious economist. Since 1939 this situation has remained unchanged.

A.

The Parties of the democratic opposition fully agree with the Government Party on two main points : a) that resistance must be put up against Nazi interferences aiming at the complete domination and spoliation of Hungary and b) that internal order must be maintained within Hungary in all events, in order to exclude a repetition of the tragic chaos of 1918 - 1919. The Parties of the democratic opposition are equally opposed to Nazism and Bolshevism. On most other problems, their views widely differ from the Government.

The most outspoken adversaries of Nazism in the Lower House are the Small Farmers, the Christian Populars and the Social Democrats.

The organization and membership of these Parties is the following :

1.) The Small Farmers Party has been started before the first world war, and following the first world war for two years had the majority of the seats in the Lower House. In the year 1930 it was reorganized by Mr. Gaston Gaal and Mr. Tibor Eckhardt as an oppositional and progressive Party. After the death of Mr. Gaal in 1932, Mr. Eckhardt was elected President of the Party in which capacity he also was leader of the democratic opposition from the year 1935 on until 1941, when, before leaving for America, he resigned the presidency of the Party. The Small Farmer Party never filled since then the vacant post of its president and still considers Mr. Eckhardt as its leader. On several occasions they have asked and followed his advice given to them from America.

The Party now is being led by its three Vice-presidents, Mr. Zoltan Tildy, Mr. Adalbert Varga and Mr. Bajcsy Zsilinsky. The membership is constituted from independent small farmers and tenants (about 66 %) and from farm-labour (about 34 %). The collective name of this group is peasantry.

2.) The Christian Popular Party is partly formed from the Catholic leaders and masses of the country and partly from Christian Socialist trade unions. It also controls the municipality of Budapest. The leaders of the Party are Count Anthony Sigray, member of the Upper House, and Monsignore Makray and Reverend Reibel.

The membership of the Party is formed from the Catholic intellectuals and professional classes, partly from

industrial and rural labour.

3.) The Social Democratic Party. After its evil experiences with Bolshevism it is following today the line shown by the policy of the British Labour Party. Its leaders are Mr. Charles Peyer, President of the Association of Trade - Unions; Mr. Arpad Szakasits, editor of the daily " Népszava " and Francis Szeder, leader of the organisation of Hungarian farm-hands.

In the fall of 1940, in the Lower House these Parties have protested against Hungary's joining the Axis. They also had foreseen and foretold a German defeat. Due to the change in the trend of the war, their following in recent months is rapidly increasing. An important step was taken by these Parties in the summer of 1943, when, without merging, they agreed on forming a permanent democratic coalition, thus representing the three main sectors of Hungarian public opinion : peasantry, labour and the progressive elements of the intellectuals.

On July 31, 1943 this coalition presented a memorandum to Regent Horthy. Besides the members of the constituent Parties, prominent members of the Upper House had equally adhered to it . This memorandum gave at first a legal and political analysis of Hungary's entry into the war and stated :

a) that even based on the Axis Treaty, Hungary legally was not obliged to declare war on Yugoslavia, the Sovjet Union or the United States;

b) that according to the Hungarian Constitution (Law I, 1920) the Hungarian declarations of war were illegal and thus not valid, as these declarations have never been submitted for

approval to Parliament;

c) that Hungary's entry into the war on the side of the Axis was contrary to Hungarian traditions, to her vital interests and also to the will of the majority of the nation.

Based on these facts, the memorandum concluded that :

a) Hungary had the legal right to withdraw from the war and to alter her belligerent status, without committing a breach of her Treaty -obligations;

b) that political traditions, sympathies and vital interests equally compell Hungary to withdraw immediately from the war.

In order to render such a change of attitude possible, the memorandum requested that :

a) all persons responsible for Hungary's involvement in the war, all persons responsible for acts of violence and all officials and officers professing pro-German sympathies, shall be immediately dismissed and punished;

b) that to the leading posts in the Hungarian army reliable officers should be appointed, as insubordination in the army and pro-Nazi tendencies among high-ranking officers have been responsible for Hungary's entering into the war against Yugoslavia;

c) that equality before the law be restored to all citizens and that hateful Nazi propaganda be expurged from Hungarian life;

d) that friendly relations be established between Hungary

and her neighbours. The renewal of friendship with the Serbs and Croats was especially emphasized. Good neighbourly relations should also be restored between Hungary and Rumania, by granting autonomy to Transsylvania. Suspicions among the Slovaks should be eliminated by definitely accepting Slovakia as an independent State and the Slovaks as a separate nation. Finally there also was a plea for the autonomy of Ruthenia.

The Regent reacted favorably to the memorandum, received personally the Vice-President of the Small Farmers Party, Mr. Bajcsy Zsilinsky, and discussed with him the requests of the memorandum.

B.

On the other hand the Nazi opposition started a fierce attack on the democratic opposition and requested that the members who had signed the memorandum should be indicted for treason. To illustrate the situation, the text of a speech is annexed (See Annex I), which Mr. Andor Jaross held on November 16th 1943 in the Lower House of the Parliament.

Under the leadership of Mr. Imrédy the Hungarian Nazi Party also drafted a memorandum last autumn, which it handed over to every member of the Government and also to other competent factors of political life. This memorandum criticized the Government for tolerating a shifting of public opinion to the left. It laid responsibility for this undesirable process to excessive liberty granted to the press and

to radio broadcasts and also to the favor shown by the Government to the Social Democrats and Small Farmers, whose extensive organizational work the Government tolerates. The strongest language was used against the Government for double-dealing and opposing even minor German claims. The Germans anyhow are in a position to assure by force the acceptance of their claims by the Hungarian Government. The only result is that, while Hungary saved very little, she has lost the friendship of Germany. The memorandum recommends as a model the Rumanian policy, which accepts all German claims without opposition, but only fulfills that much, as it is able to do. Thus Rumania has become the favorite of Germany.

The same Mr. Imrédy has also attacked the Hungarian Government in the Committee on Foreign Relations of the Lower House. He asserted that Hungarian foreign policy was fundamentally mistaken, because Hungarian interests could only be safeguarded by a German victory. Should Russia be the victor, Hungary would be liquidated by the Russians, whereas, should Great Britain's influence determine the dispositions of the future peace Treaty, she will favor Serbs, Czechs and Rumanians as in the past. Hungary has no way left open towards the Allies, and is cutting herself loose also from Germany, thus isolating herself completely. He urged an all-out participation of Hungary in the war on Germany's side, requested that the Hungarian army should be sent to the Balkans to wipe out the Partisans. The Minister for Foreign Affairs Ghyczy categorically refused to follow this advice, as Serbs, Croats and Hungarians unanimously would oppose such a decision.

Mr. Charles Rassay, (liberal leader), at the same meeting also energetically rejected Mr. Imrédy's request. On the contrary he urged the Government to draw a line against all further concessions to Germany. This line should safeguard vital Hungarian interests and it should be clearly pointed out to the Germans to eliminate useless pressure. The Nazis at this meeting finally threatened to start a public debate concerning the Hungarian Government's illoyal behavior towards the Germans and gave the Government a short term to reverse its policies.

The debate on the budget, held on November 30th and December 1st 1943, gave another occasion to the leaders of the different oppositional parties to voice publicly their views concerning the war. Excerpts of these speeches are contained in Annex II.

C.

In the House of Representatives the pro-Legitimist policy is mainly represented by the Christian Popular Party, which, since the recent death of Count John Zichy, is presided over by Count Anthony Sigray. As quoted in Annex II, a few days before his death Count Zichy made a clear declaration in favor of the restoration of the legitime Monarchy in the name of his party, and Count Sigray expressed the same views in a speech held on December 14th 1943 in the Upper House. Prime-Minister Kallay, urged by the Nazis to repudiate the policy for restoration, most violently opposed by Germany, rebuked the Nazi opposition by

stating in Parliament on December 1st 1943, that he agreed with Mr. John Zichy's declaration. " We have always considered Hungary as a Kingdom in the past " , he said, " and with the help of God shall do so also in the future. "

Besides the Christian Popular Party the Liberal Party also stands distinctly for restoration. The leaders of the Small Farmers Party have declared, that the re-establishment of the legitime Monarchy has been inserted into the program of their Party, as no better future can be conceived on any other basis for the country. The Social Democratic Party, although not professing openly Legitimism, has declared that it considers the re-establishment of the Monarchy as a useful and sensible step to the establishment of a consolidated situation in the Danube Valley, and that in due time their Party will make an adequate declaration. A large proportion of the Majority Party in the Lower House, as well as a distinct majority of the members of the Upper House, led by Primate Cardinal Serédi, also stands for restauration. It can be accepted with certainty that, excepting the Nazis, the restoration of the Monarchy in Hungary will be unanimously favored and accepted, if the right of the Hungarian people to choose, in accordance with its thousand years old Constitution, its form of Government, under which it will live, shall be respected after the war.

To sum up the internal situation the following main facts can be discerned :

1.) Living under constant German pressure and threats Hungary has saved a maximum of her constitutional liberties and traditional way of life.

2.) By her reluctance to follow Nazi leadership, the present Hungarian regime has attracted Hitler's hostility against itself and has to face constantly the danger of being ousted by force. According to reliable reports, Germany and the Hungarian Nazis, re-inforced by Nazi elements of the German minority within Hungary, are constantly plotting to overthrow by all means the constitutional Hungarian Government and force on Hungary the Nazi system and the Hungarian Nazi Government.

3.) In spite and probably as a consequence of this danger Parliament is increasingly taking a stronger stand against Nazi interference. - The political, moral and spiritual leaders of the country are determined not to give way to the Nazis. The numerical majority of Parliament - excepting a pro-Nazi minority - collaborates in this respect with the Government, irrespective of Party-affiliation. This trend of thought is firmly established in the Hungarian public opinion, which from the very beginning has condemned Hungary's involvement in the war on the side of the Axis. The overwhelming majority of the Nation stands resolutely by her traditional independence and liberty, rejects Hungary's participation in the war, opposes Nazism and is ready for all sacrifices for self-defense, for the preservation of her vital interests, her independence and national inheritance.

4.) For the Allies it is of real importance that, in the immediate neighbourhood of Germany, Hungary has kept up her opposition to Nazism, that she has not surrendered to Nazi ideology and that she openly and reiteratedly has pointed out with unquestionable effect, that she does not believe in a German victory. Hungary has gone farther in this direction than any other Axis dominated country in Axis-dominated Europe, Her real feelings and her political aim being similar to those of the Anglo-Saxon Powers. Besides Finland only Hungary has preserved those main lines of her political and spiritual life which before 1933 were the common property of all civilized mankind. The four freedoms have never been suppressed in Hungary and, above all, all individuals still enjoy the freedom from fear. By preserving her moral and physical forces, Hungary can be of real use for the Allies during and after the war, as an element of law and order in the imperiled valley of the Danube.

II.

Hungarian Foreign Policy.

A.

Its principal aim: peaceful revision.

The foreign policy of each state and consequently of Hungary too, is determined by two fundamental factors: its own aims and the attitude of the other states toward these aims. The principal aim of Hungary since 1919 is generally known and is the modification of the territorial dispositions of the Treaty of Trianon, which have put under foreign rule 1/3 of the Magyar population. Hungary endeavored to realize her revisionist aspirations by peaceful means and never applied the method of fait-accomplis. Up to 1938 she tried to attain her aim within the frame of the peace-treaties, accepting the actual international order as a basis for her foreign policy.

In 1938 Germany brought up the question of the Sudetengermans. The whole of Europe came under the spell of the German action. Because of Chamberlain's appeasement policy, Europe did not show much opposition to the German demand. The Regent of Hungary paid an official visit to Germany in August 1938, just when the Czech crisis reached its height. All Europe was expecting that Hungary will become a willing tool of Germany and that the result of the visit will be the "Gleichschaltung" of Hungarian foreign policy. Contrary to all expectations, Hungary signed at the very moment the protocol of Bled with the Little Entente making it evident, that she was not willing to follow the aggressive German foreign policy. The Germans naturally were angered by this result.

During the visit of the Regent in Germany, Lord Runciman started his mission in Bohemia which finally led to the cession of the Sudetenland. When it became evident, that the Western Powers themselves were giving up the integrity of Czecho-Slovakia based on the Treaty of Versailles and Trianon, Hungary also brought forward her claim for a revision. British official policy was willing to allow the Sudetengermans be taken over, but resented the Hungarian claim. Italian intervention at Munich made it possible to satisfy the Hungarian claim which had been opposed not only by Chamberlain and Daladier, but also by Hitler, who resented Hungary's refusal to become an ally of Germany. The policy of appeasement did not serve the interests of small nations. Even Poland was able to force her will by an ultimatum, whereas Hungary undertook the ungrateful task of entering into negotiations with the Czecho-Slovak Government. Even the Foreign Minister of Czecho-Slovakia, Krofta, has recognized at that time the correct attitude of Hungary. Direct negotiations having failed to bring about an agreement, the Hungarian and Czech Government agreed to submit their case for arbitration to Germany and Italy. The first Vienna award applied the principle adopted by the Paris peace treaties and also in Munich by the four powers: the ethnographic principle, based on statistics of 1910.

B.

Germany gains influence over Hungary by her support of revision.

The Axis Powers, especially Germany, thus gained on account of the revision considerable influence on the international po-

lity of Hungary. This fact created for the Hungarian Government a very difficult situation. Unquestionably no Government in Hungary could maintain itself against Nazism only as long as it appeared capable of fulfilling the nation's wish for revision and did not reject the offers made by Germany in this respect.

From the Vienna award to the occupation of Prague, German policy paid much attention to the Ukrainian question. Hungary was interested in it on account of Carpatho-Ukraine, which Germany tried to transform into a Ukrainian Piedmont. This German-Ukrainian policy was most inimical to Hungary and at the same time to Poland and Russia. The dissolution of Czech-Slovakia finally made possible the re-annexation of Carpatho-Ukraine into the Hungarian motherland and the realization of the common Polish-Hungarian border.

Hungary remained faithful to her traditional Polish friendship and gave ample proof of this also after the downfall of Poland. Germany offered Polish (Galician) territories to Hungary, if she would grant Germany the right to march across Hungary. However the Hungarian Government refused the offer. By giving asylum to Polish refugees -among them 50,000 men of military age- Hungary aggravated still more her relations to Germany.

In the Finnish war of the winter 1939/40 Hungary sent to Finland volunteers who were received most cordially in England. Hungary will always remember the gallant reception given to her soldiers.

The downfall of France and the Russian ultimatum to Rumania naturally influenced Hungary. On account of the 1 1/2 million Hungarians in Trassylvania again the question of revision came up and Hungary also wanted her rights respected. No Hungarian Government could have withstood the pressure of public opinion, at that time.

However the situation was very delicate: after the Russian ultimatum Rumania went over openly to the German camp, renouncing the British guarantee given her in case of a German attack. The Hungarian territorial requests, which followed, were directed against Rumania, enjoying German and not British protection. Rumania had become a source of German war-economy in the Balkans and the maintenance of orderly conditions in Rumania was above all in the interest of the German war effort.

The Government of Count Teleki did not request German arbitration, but prepared to expell the Rumanians from Transsylvania, certainly not in Germany's interest. Rumania showed willingness to enter into negotiations, which however brought no results. Hungary therefore broke off negotiations and hastened mobilization. War seemed unavoidable and would have had disagreeable consequences for Germany. King Carol addressed himself three times to Hitler asking for arbitration. His action led to the second Vienna award, which Hungary could not have avoided without serious risks.

This award divided up Transsylvania, returning to Hungary about 1/3 of her territory ceded at Trianon to Rumania. The award tried to draw the frontier in a way so as to give both countries the majority of their nationals. From the economic and geographic point of view however this present border is unnatural.

C.

Events leading to Hungary's participation in the war.

After the second Vienna award, Hungary joined the Tripartite Pact (Axis Pact). However Count Csaky emphasized that he considered this alliance only as an instrument of peace. At the same time Rumania and Slovakia also joined the Pact. Soon after, the first signs of a German-Russian conflict became evident. On account of her geographical position, Hungary was in a very delicate situation. After the Bolshevic experience with Bela Kun and Russian subversive agitation of the following 25 years, she could not have sided in any case with Russia. The alternative for Hungary was rather hard: to resist Germany and share the fate of Poland or in case of Russian advance, that of the Baltic States. Both alternatives would have been suicidal. Therefore she chose the third road: to lean toward Germany in order to preserve her internal independence as much as possible.

Norway, Holland and Belgium as well as Poland, chose the path of heroic resistance. But these states went to war in order to defend the status-quo favorable to them. But how could

Hungary choose suicide in order to protect a status-quo, which deprived her of almost all possibilities of survival.

Czecho-Slovakia at the time of Munich certainly was not in a less favorable position for defense than Hungary later on. If the Great Powers did not expect Czecho-Slovakia to resist, they could not expect Hungary to commit suicide in the defense of Trianon.

Hungary concluded with the Yugoslavia of Prince Paul in December 1940 a treaty of eternal friendship. And it is generally accepted that Prince Paul wanted to avoid a conflict with Germany. Hungarian and Yugoslav policies moved therefore on parallel lines and the result was the treaty of friendship. Hungary put aside her claims for revision, but did not deny them at the time of the conclusion of the treaty. Neither did Hungary give any guarantee to go to the defense of Yugoslavia in case of a German attack.

The coup d'etat of General Simovic changed the course of Yugoslav foreign policy. Germany retaliated and wanted Hungary also to take part in the retaliation. Thus the whole question of Hungarian-German relations was raised. Since the beginning of the war, Germany made the reproach to Hungary, that she was playing a double game.

In Berlin therefore the Hungarian-Yugoslav treaty made a bad impression and was interpreted as part of this double game.

Count Teleki felt the full weight of the moral and political conflict and chose death. By sacrificing himself, he wanted

to make manifest the terrible dilemma of Hungarian policy and to offer expiation for the decision which Hungary -as he foresaw it- would be unable to avoid. However Hungarian troops only entered the Bacska -lost in 1919- after the fall of Yugoslavia and after the independence of Croatia. The Bacska -just as the Banat- would have also been occupied by German troops had Hungary stood aside. Thus Hungary defended not only the Hungarians but also the Serbs living in that region. It must be stated also that in the defeat of Yugoslavia the few Hungarian units which entered the Bacska played not part.

All, Hungary can say in this regard to her defense is, that her military sovereignty had been greatly restricted by the peace-treaty, that conscription was granted only in 1938 and that in the hurriedly organized army she was unable to exercise sufficient control and make selections. It was the military element playing the German game, which forced the Government, painfully impressed by the Russian bombardement of Kassa, a Hungarian city, into a position, where it was unable to resist the internal and external pressure and was forced to proclaim the state of war. It has to be recognized however that due to her geographic position it would have been an impossibility for Hungary to stay neutral. With a more or less voluntary participation she was able to set a limit to her participation and to maintain, to a certain extent, her internal independence. In consequence Hungary today is still the least nazified of all the Central European countries. Hungary's

participation in the Russian war also remained restricted.

As a consequence of Hungary's participation in the Russian war England -which had broken off relations with Hungary during the Yugoslav crisis- declared war on Hungary and later, when the United States entered the war, Hungary was forced by Germany to declare War on the United States. It is superfluous to give an account of that German pressure. Thus Hungary came into the war, which she wished to avoid. It was not in the hope of an easy booty that Hungary entered the war: against Russia or the U.S.A., Hungary certainly has no territorial claims.

The National-Socialist ideas made great conquests in Central Europe, especially after the German occupation of Austria. It was the result not only of tremendous German propaganda backed by bribery, but also of the military success which lent prestige to Hitlerism.

It was unavoidable for Hungary -like for most other European states- to have her Quislings. Hungarian military resistance to Germany, which would have led to the annihilation of the best elements in Hungary, as well as of one million Jews, would have created great opportunities for these Quislings. The Nationalsocialist movement in Hungary depicted Germany as the great friend righting the wrongs of Trianon. Social evils, particularly unemployment, also played a big role.

D.

Hungary's policy concerning the war.

Regent Horthy opposed most determinedly this current. The reason why Daranyi, Imredy and Bardossy -all of them Prime Ministers- successively were obliged to resign as Prime Ministers, was that they made more concessions to the Germans, than would have been absolutely necessary. Hungary naturally resisted the Nazis above all in her internal politics. However in foreign politics too, she made a rule, to adapt herself to Germany only as far, as it was absolutely necessary. Hungary considered herself in a formal state of war with England and the United States only under duress.

Officially Hungary only speaks of the war of defense against Bolshevism, emphasizing that she is at war without hatred.

There never was any bad feeling in Hungary against America and England. At the occasion of the Regent's last visit to Germany(1943) the German draft of the communique also contained an allusion to the war against America and England. To show her disagreement, Hungary refrained from publishing the communique and it only became known in Hungary through German press reports. During the Regent's visit, Hungary presented to Germany a list of the wrongs done to Hungary by Germany and strongly remonstrated against them. As much as it was in her power, Hungary stood up against Germany and Nazi ideology. She fought partly in a passive way by maintaining her free institutions and partly by opposing directly the policies and the pressure of the Axis Powers.

The result of this foreign policy was, that:

1. The Hungarian army effectively took a very restricted part in the war and exclusively in Russia, where Hungary certainly has no territorial aims. Otherwise the army only functioned within the historic borders of Hungary. The army's role in the war against Yugoslavia had almost no military significance, it did not influence that country's fate. The participation in the Russian war at the beginning was only symbolic. From summer 1942 to spring 1943 Hungary took part with more considerable force, for which she has paid dearly in blood. Since then the Hungarian troops are no more in the frontline and are only used as troops of occupation.

2. The Hungarian Government repeatedly refused the German request to take part in the occupation of Serbia, or to send troops to the Balkans. Besides Russia there are nowhere Hungarian troops outside of the Hungarian border.

3. Hungarians never fought Anglo-Saxons, and Hungary never allowed Hungarian flyers to be used in the West. When a unit of 70 to 80 flyers was transferred from East to West, Hungary urgently recalled that unit. Germany, as expected, strongly objected.

4. In economics also, Hungary is backing the Axis Powers only to a limited degree. Especially in war-materials Hungarian help, given to Germany, is not to be compared with what Germany obtains from the Czech Skoda-works and from the Rumanian oil-wells. Hungary has to get an important part of raw-materials for her industry from Germany. Without German raw-materials (coal and minerals) her industry could not operate. Hungary nevertheless restricts the quan-

tity of products furnished to Germany. This gave several times occasion to German protests. Hungary is scarcely giving any assistance to Germany in furnishing labor-contingents and consistently refused German requests for higher quotas. The last Hungarian workers have now been recalled from Germany.

E.

Hungary desires federal organization.

Hungary is fully aware that the new international order after the war will require great changes. She knows that changes will have to come not only in the political field, but also by the improvement of the economic order, of the rights of labor and of general social welfare.

Hungary wishes to continue to belong to the Western World, even if the political, economic and social standards prevailing in Western Europe cannot yet be fully applied in Central Europe. The question of frontiers in Central Europe with the multiplicity of nationalities, presents a much graver problem than frontier problems in the West, where ethnographic conditions are stabilized. Moreover in Central Europe religious, historical and geographical factors also play a serious role. Natural frontiers outlined by geography have been amply justified by history. Central Europe has lived through centuries within a broad and stable frame, possessing viability and great power to resist, even unaided, all dangers. The crisis was provoked by the effect of the disruptive force exaggerated nationalism. This principle should never be the only basis of a future order. On the contrary, in a better order the excesses of nationalism

should be repressed, without hurting the natural rights of small nations. These rights certainly involve mutual obligations, which however cannot disregard geographic and economic necessities and the common interests of neighboring nations.

A reintegration of Central-Europe is the most urgent need and thus we arrive to the problem of a federation. It is almost proverbial that in the territory between Germany and Russia isolated small states cannot survive. This system blossomed between the two world-wars and collapsed under the very first blow of a powerful neighbor.

The weakness of the present Eastern Central European system can only be remedied by the principle of federation, which would create out of many weak States one or two strong units. Hungary fully realizes that she has more common interests than differences with her small neighbors and is willing to accept the resulting consequences.

Hungary also realizes that the whole of post-war Europe will also have to be organized as a unit and that only permanent collaboration with Great Britain and the United States can assure the peace and stability of the European Continent. Concerning the problems of the Danubian Basin Hungary realizes that the future settlement cannot be a return either to the collapsed system of 1938, or to that of 1918, but will have to be a new solution, based on a careful study of the advantages and disadvantages of both, for neither system was perfect. The order created in 1919 has shown certain positive results. However, the

extraordinary political and economic stability and power of resistance of the period preceding 1918 must also be recognized as of paramount importance to the world.

Compared with 1918, the self-consciousness of the nations of the Basin of the Danube, which manifested itself in their desire for autonomy, has undoubtedly matured. The other factor, now fully recognized, but completely disregarded in 1919, is the notion, that the Basin of the Danube forms a geographic and consequently also an economic unit. The territories within that basin, which in 1919 were separated by frontiers, gravitate toward each other and can only obtain a higher degree of political stability and well-being by close economic collaboration. The third factor, which in 1919 also was disregarded, is that no stable solution in the Basin of the Danube is possible without Hungary, the country which occupies the center of the Basin, whose population is largest in number and possesses the oldest traditions and political experience. For Hungary, the solution of the question of the Basin of the Danube is of the greatest importance and her view is expressed in the three points mentioned above. Hungary naturally does not disregard plans which affect the territories outside the Central Danubian Valley, but she is convinced that these questions cannot be solved without a proper organization of the Basin of the Danube, which occupies a central position.

Hungary believes that the national idea has accomplished its goal in the Danubian Basin: the national units acquired self-

consciousness and have developed their national characteristics. The people of the Danubian Basin have matured and they have become of age. In the past, under very different conditions, they assisted and never endangered each other, in the future they certainly will not be able to deprive each other from their nationality. Even by using force, all they could attain, is to make life intolerable, which cannot reasonably be their purpose.

The epoche of spiritual separation and disintegration is therefore closed to give place to a renewed common development, by freely chosen cooperation and reintegration in the interests of a higher culture, a better living, a happier life and more service to humanity. In this work the Hungarian State also claims its share. But Hungary can only be able to participate in this work, if a territorial and political frame is assured to her, which renders the full development of the mature political Hungarian nation possible and secure.

F.

How could pro-Allied sentiment in Hungary materialize in her Foreign Policy?

It is beyond doubt that Hungarian public opinion adheres fervently to Hungarian independence and constitution, to the ancient freedom of each individual and that it impatiently expects the time when it can rid itself from German overlordship and Nazi interference. Unfortunately Hungary, located in the heart of the European Continent, occupies a key position, both strategically and politically, in the schemes of the Nazi conquerors. On the other hand, having no sea-coast, she is inaccessible to the armies of

the Allies and being cut off from all outside aide, has to rely exclusively upon her own resources and manoevre in a way, that will allow her to save a maximum of her military and moral forces for the time when an Allied invasion will bring to Hungary the long expected opportunity to participate with all her forces in the liberation of her soil.

A radical change of foreign policy is not a political problem to the Hungarians but a question of practicability. Leading representatives of the neutral Swedish press have visited in the summer of 1943 Hungary and have thoroughly studied her views and policy and have unanimously stated upon their return in the Swedish press, that public opinion and government equally were openly in favor of the Anglo-Saxon Powers and that traditional anti-German feeling was stronger than ever in Hungary. These articles were approved and reprinted in the Swiss press and raised a storm of indignation against Hungary in the German press. Hitler personally intervened and insisted that Mr. Ullain-Reviczky, chief of the Hungarian press-service, be dismissed. The request was granted, but characteristically Mr. Ullain-Reviczky was appointed as Hungarian Minister to Sweden.

The tension which the Swedish journalists had so keenly observed between Hungary and Germany has been in recent months considerably increased by the newly invented Nazi methods of torture applied against Hungary in the form of mistreatment of the Hungarian minorities residing in the neighboring countries. Very

frequently against their own wishes Nazi Quislings possessing power at present in the adjacent states are ordered by their Nazi masters to invent new methods of mistreatment and oppression in order to force the reluctant Hungarian people into submission. This pressure against Hungarian minorities is eased whenever a German request has been fulfilled but is tightened should Hungary show unwillingness. The principle of old tyrants: "divide and rule" is being exploited by the Nazis to the maximum. Annex III contains a vivid description of the suffering which Hungarian minorities have to stand. This reliable report has reached me in January of the present year.

Besides Hungary's dangerous geographical position the Government recently is observing certain caution for the following reasons:

1. The evil fate of the Italian people, exposed now to ruthless Nazi persecution and extermination, far exceeding the suffering of any other European nation has caused grief among the Hungarians always sympathetic to the Italian people, and has thrown a vivid light upon the danger that Hungary also might have to face in case of an ill-timed step in the right direction.

2. The increasing preponderance assumed by President Benes in all Danubian affairs has invoked the worst memories of the period following the first World War. President Benes is considered not only by the Hungarian people but also by Croats, Slovaks, Austrians, Poles and even many Czechs as highly respon-

sible for the complete disruption of collaboration and friendly relations among the nations of Central Europe. His destructive tendencies have paved the way for Nazi expansion and his bold scheming to expand the hegemony of 7 million Czechs over 50 million Central European people facilitates up to the present day Hitler's domination over that region. His untimely recent alliance with Soviet Russia has created the general suspicion among the peoples of the Danube Valley that Doctor Benes' overambitious policy will lead to the Bolshevization of their homelands just as his previous conception has resulted in Nazi domination.

3. Unfortunately much of the British and American radio-propaganda beamed in Hungary to Hungary makes the listeners react in an unfriendly way. Permanent exhortations that the time has come when Hungary has immediately to turn against her German oppressors through a revolt against the Hungarian Government, can only cool off the pro-Allied feeling of the overwhelming majority of decent Hungarians. Such advice will certainly not be followed but is being exploited by Nazi propaganda as a proof of Allied ill will toward Hungary.

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In the beginning of February 1944 I received reliable information from Hungary reporting on the views of the present Hungarian Government concerning its foreign policy in the next future. This report states that the Hungarian Government:

1. Considers the Bolshevik menace to Hungary as the most serious of all dangers and that the Government has been gravely

pre-occupied and impressed by recent world events.

2. It mainly endeavours at present: to avoid an occupation of Hungary by Germany and thus to maintain Hungary's army and her future liberty of action -both in her own and the Allied Nation's interests. In case of German aggression however Hungary would oppose any act of violence with all her military power.

3. It would receive the American, the British or the Polish armies at the Hungarian frontier without opposition. But all other armies would meet resolute resistance.

4. It is ready to accept any future solution which excludes Russian occupation of Hungary and respects her constitution, her independence and would take into consideration her justified interests.

*

Present day Hungary performs an important role about which no news ever reach the press but which must be emphasized in order to realize the advantages that might result from the existing situation. This important function is twofold:

1. Hungary is an indispensable link combining the different European underground movements in their fight against Nazism. The Polish underground from the very beginning gets every support in Hungary which secures to Poles in occupied Poland the only exit to the free world. The same applies to the Austrian underground which due to its traditional connections and partnership with freedom loving Hungarians gets all support, instructions and even help from Hungary.

2. Hungary is the meeting place of all persecuted anti-Nazi political forces who not only enjoy hospitality in Hungary but are also allowed to express their views and maintain their connections with their respective countries. Croats fleeing from Serbian and Serbs fleeing from Croatian persecution are equally admitted into Hungary. Italians from Northern Italy remaining loyal to the House of Savoy and to its pro-Allied policy are recently arriving also into Hungary where they are admitted and enjoy complete freedom. More and more political forces are gathering within Hungary which thus assumes increasing political importance.

III.

The Hungarian military outlook.

A.

Can Hungary repudiate her obligations toward the Axis?

Hungarian public opinion was distinctly opposed from the very beginning against Hungary joining the Axis at first and later against Hungary's participation in the war on Germany's side. The latter problem however has never been submitted to the decision of the constitutional factors. As already mentioned, no Hungarian declaration of war is valid according to the Hungarian constitution unless it has been approved by Parliament. None of the Hungarian declarations of war has been submitted for acceptance to Parliament to the present day. The declara-

tion of war on America has not even been signed by Regent Horthy, but has been simply decided upon by the Government.

At the time when Hungary signed the Tripartite Pact (November 1940) Count Teleki, Prime Minister, clearly stated, that Hungary by her adherence to the Pact has not pledged herself for active warfare even in the case that the casus foederis contemplated by the Pact should be invoked by the other signatories. Teleki reserved the right of Hungary to decide in such a case independently and in strict observance of her own national interests, whether Hungary should join her Axis partners in active warfare. Count Teleki committed suicide, when he learned from the German Minister that the Chief of Staff of the Hungarian Army, General Werth, had pledged the Hungarian Army to active participation in the war against Yugoslavia, without having consulted previously the Government, or even without having informed the Government of this intention. Hungary was plunged into the war by the treason of this high ranking general. The Hungarian Government of Mr. Bardossy simply sanctioned a fact, that had already been accomplished without the Government's consent.

It is evident that even according to a strict interpretation of international law Hungary is not bound legally to participate in the war on Germany's side. She can withdraw from the war whenever she decides so without a breach of promise. This view is generally shared in Hungary and has even

been voiced in Parliament when by the collapse of Italy the Axis itself formally ceased to exist. Hungary's withdrawal from the war or even a complete reversal of Hungarian orientation is exclusively a matter of political decision reserved exclusively to Hungary herself. Hungary may act in whatever sense she likes. There is no doubt that Hungary is keen to give up her unequal partnership with Germany and to fall into line with the Anglo-Saxon Powers. The whole problem is simply a matter of power: When will Hungary be able to do so?

The answer depends on two factors:

- a) how can Hungary be fitted into the strategic plans of the Allies and
- b) what can the Hungarian Army do itself in order to bring about the desired reversal.

B.

Hungary's armed forces.

The Regent and the Hungarian Government have recently taken strong measures to eliminate from the Hungarian Army those commanding Generals and high ranking officers, who had been noted for their pro-German sympathies. The present Minister of War, Louis Csataj, is reliable in all respects and has reiteratedly refused German requests addressed to him even personally by Hitler. The commanders of the following Army Corps of Kolossvar, Debrecen, Szeged, Kassa and Győr and the

Commander of the division of the Szekelys have been sent into retirement and have been replaced by reliable anti-Nazi generals.

In consequence of heavy losses suffered in Russia in the year of 1942 and early in 1943 the Hungarian Army has been recently reorganized and re-equipped. By early spring 1944 the Hungarian Army will consist of the following units:

1. Regular Army (Ready for Combat):

| | |
|---------------------------|----------------|
| 8 Infantry Divisions..... | 8 Combat Units |
| 2 Mountain Brigades | 2 Combat Units |
| 2 Armored Divisions | 1 Combat Unit |
| 1 Cavalry Division | 1 Combat Unit |

Total thus makes 12 Combat Units.

The following facts must be noted: Each Infantry Division consists of 3 Infantry Regiments (9 Battalions) and 9 Artillery Batteries. Each Regiment and Battalion is equipped with the necessary amount of anti-tank weapons. Each Infantry Division possesses besides the afore mentioned anti-tank weapons also at least one separate anti-tank unit.

The Mountain Brigades consist of 4 Infantry Battalions, Artillery, etc.

There are two main factors in each Armored Division: 1 Tank Regiment and 1 Regiment of Armored Sharpshooters (the afore mentioned Tank Regiment possesses 250 Tanks). The two Armored Divisions have lost most of their tanks in the Russian campaign in 1942; this loss will be mostly replaced by spring 1944.

2. Forces in Russia:

Besides the above mentioned 12 Combat Units, Hungary has 8 Infantry Divisions engaged in policing and maintenance-work behind the German lines. These 8 Divisions have been badly decimated, their contingents have not been renewed since the major disaster suffered in 1942 at Voronesh. In 1943 the Hungarian Government reiteratedly tried to bring these divisions home, but Hitler has consistently refused this request. Recently he has even broken up these Divisions into small units and has dispersed them widely behind the German front.

As a consequence these 8 Divisions can be considered at the present time as completely lost for Hungary.

3. Frontier Guard Battalions:

a. Hungary has 36 perfectly trained and well-equipped Frontier Guard Battalions which can be concentrated into a certain number of Frontier Guard Brigades. These troops are of high military value and are posted along the Hungarian frontiers.

b. In the Eastern-most part of Transsylvania (Szekelyland) there have been organized recently further 20 Frontier Guard Battalions on the basis of general conscription.

The military forces enumerated under 1 and 3 amount to 400.000 men.

4. Air-Force:

The reorganization of the Hungarian Air-Force is almost com-

plete. By spring 1944 it will consist of 60 Air-Squadrons (720 first-line machines). This Air-Force is divided in adequate proportion into light bombing and fighter squadrons.

Besides these regular forces Hungary possesses further 600,000 trained reserves (partly officers). Further extension of the Army however meets serious difficulties on account of lack of equipment. Medium size tanks, long-range fighters and automatic rifles could not be produced until recently in Hungary and even now production of armament meets serious difficulties on account of the lack of certain raw-materials, which can only be furnished by Germany. This situation is badly exploited by Germany for constant black-mailing of Hungary and progress of further rearmament can only be very slow.

Despite the heavy losses suffered in Russia, the discipline of the Hungarian Army is perfect and the 16 active Divisions which make up the present force of that Army can be considered as a fairly strong force under present European conditions.

Annex I.

To illustrate the situation, we quote from a speech delivered by Jaros Andor (Nazist member of Parliament) in Parliament on November 16th 1943 :

" In the question of the right of assembly I know that the Secretary of Interior has declared that he would deal equal measure to each Party. In fact, I have found that this is not true and that the administration is practising something else. It has happened in Transylvania that the Arrowcross-Party (Nazi-Party) wanted to have meetings on ideological subjects in its own house, restricted to its members. The police did not authorize these meetings. At the same time the Socialist Party in Nagyvarad and Kolozsvar was authorized to hold mass meetings in the house of the trade-unions and to make other similar propaganda moves. In the Comitai (County) of Szilagy the local authorities have prevented activities of the pro-Nazi Parties by not recognizing their organisations. There are towns - for example Szabadka - where the authorities authorized a meeting of Nazi leaders, but did not authorize them to speak of the Jewish question or of the war. In the municipality of Sülelmed, Comitai (County) of Szilagy, the justice of peace called in one of the founders of the Nazi Party and tried to force him to resign from that Party and to give a written statement that he no longer believed in Nazi ideology. I know very well that the Inner Policy as imagined by the Secretary of the Interior is identical with the Foreign Policy of Great Britain : He always tries to help the second largest power against the stronger. That is why the Secretary of Interior has tried to help the Socialists at a time when the trend was towards National-socialism. The Socialist Party would no longer exist, if the Secretary of Interior had not helped it. At the time

when the Peasant Party was in an unpleasant situation, the Secretary of Interior authorized the creation of the Peasant League and by fostering this organization saved the Party.

The Secretary of Interior undoubtedly knows the Memorandum which the Peasant Party and the other groups of constitutional opposition sent to the Prime-Minister at the time of the fall of Mussolini, a Memorandum which was contrary to the articles of war and would have meant ruin to Hungary. And nevertheless the Peasant Party and its accomplices still are authorized to hold as many meetings as the other political Parties. (Voices on the Nazi side : " Oh no, they have much more liberty ! ").

I must also say a few words about the Peasant League. Milan Hodze tried to organize the peasants against us in Czecho-Slovakia. He wanted to destroy national feeling by social unrest. Now, in the midst of a crucial war, when everybody ought to be organized for the victory of the Axis, the Government authorizes a Peasant League which creates the danger of becoming the sounding board of radical Bolshevistic elements. I must say that the letter of the Secretary of Education, by which he recommended the cooperation of the Peasant League with the public educational system is, to say the least, extremely naive. The Royal Government openly supports the Peasant League. When a few authorities expressed some doubts, the Under-Secretary, Mr. Henkis, wrote a letter to these authorities stating that all the previous favors of the Government towards the Peasant League should be continued.

(N.B.) This Peasant League is a Cultural organisation of young farmers, influenced by the Churches. It is true that the most influential members of the Peasant League are openly Royalists and supporters of the Peasant Party; they are not Communists.

I continue. Day before yesterday I listened to the Moscow

radio. In it spoke one Gabor Andor who said: " I understand that the Hungarian Government is making researches in Visegrad. Well, do the Hungarians still look for historical relics ? Dont they understand that now they should dig their own graves ? Dont they understand that the leaders of Hungary today are digging their graves ? "

Well, this was said day before yesterday. I do not over - estimate Mr. Gabor Andor, but his propoganda might have some effect, especially in the Eastern and North-Eastern parts of the country. How is it possible then that one Jellinek Endre, a former Communist leader, has been put in charge of the Socialist organisation in Nagybanya and Felsőbanya ? Would it not be more reasonable under these circumstances that the Secretary of Interior gave the Nazi Parties at least the same chances as to the destructive elements ? "

Annex II.

In the minutes of the Hungarian House of Commons from November 30th to December 16th 1943 the following interesting speeches deserve attention :

1.) On November 30th, Mr. B. Imrédy, leader of the Nazi Party in Hungary, has attacked the Hungarian Government mainly for the three following reasons :

- (a) For tolerating the organization and public propaganda carried on by the Small Farmers (Peasant) Party and the Social Democratic Party. Mr. Imrédy qualified these two Parties as revolutionary, their pro-Allied foreign policy as opposed to the vital interests of the nation, and qualified the memorandum of the Peasant Party addressed to the Regent in August as treason. He accused the Government of secretly condoning with those Parties. He practically denounced to Hitler the Hungarian Government for double dealing.
- (b) He accused the Government of incompetence and inefficiency in handling the economic and financial problems of the nation. He stated that prices recently had risen by 30 per cent, whereas wages had not been adequately increased. He pointed out to the inflationary tendency notices in the depreciation of the Hungarian currency and urged much stricter measures in Government control.
- (c) He urged a radical handling of the Jewish problem. He accused the Jews of anti-Hungarian activities and made world-Jewry responsible for the Anglo-Saxon Powers' alliance with Sovjet Russia. He pointed out that in recent international Conferences the Russians have succeeded to become the leading power on the Allied

side.

Anglo-Saxon weakness is due, he continued, to the fact, that they may have money and machines, but it is the Russians who can throw millions and millions of soldiers against Europe in order to sovjetize it and to organize the European Continent into the Sovjets. He pointed out that Bolshevik Messianism has not become more attractive by adding Panslavism to its program. Even should the Anglo-Saxon Powers strengthen their military position in Europe, that change would't bring any improvement in Hungary's future; Stalin would simply be replaced by Mr. Benes and Bolshevik domination by the well-known abuses of the Little Entente. He qualified the Hungarian Government's military policy as contrary to common sense : " Whoever wishes to defend the frontiers, must try to resist as far away from the frontier as possible and as long as he has allies left. " Finally, in a written declaration, he urged all-out assistance to Germany.

2.) Mr. Z. Tildy, on November 30th, exposed the internal program of the **Small Farmers Party**. He emphasized above all the Hungarian Nation's indestructible decision to maintain its constitutional liberty and independence. He pleaded for the same rights of all neighboring small Nations in the Danube Valley, wishing to restore friendly relations and peaceful collaboration with all neighbours of Hungary on a democratic basis. He urged the necessity of an electoral reform granting equal rights on a broad democratic basis, asked for the restoration of the liberty of press, speech and propaganda. He emphasized that a civilized Christian State can never discriminate between the rights granted to its citizens, and that by eliminating the recent Jewish legislation the equality of rights should be restored for all citizens. He pointed out to the long-desired request for a

far-reaching land-reform and urged a foreign policy that would safeguard Hungarian interests and refrain from dangerous alliances.

3.) On December 1st 1943, Mr. Charles Peyer, leader of the Social-Democratic Party, put forth the desires of industrial labor in Hungary. He asked for an increase of wages in conformity with the ~~the~~ rise of the price level. He asked for the abolition of Government-control in general and of military control in particular in the war-industries. He stated that the declarations of war against the Allied Nations, by the Government of Mr. Bardossy, have never been approved by Parliament and thus are invalid according to the Hungarian Constitution. He pointed out that, as a consequence of the collapse of Italy, the three-power Pact between Germany, Italy and Japan has lost its validity and no obligations can be construed any more on that basis. He finally declared that no nation in Europe supports Hitler voluntarily and every nation tries to build up a second front for the expected time when Germany collapses.

4.) Count John Zichy, leader of the Legitimists in Hungary, (he died in the first week of January and was replaced by Count Anthony Sigray), in a short declaration urged :

- (a) the restoration of the legal King in Hungary ;
- (b) referring to the principles stated by the Holy Father, he asked for the integral restitution of the rights of the individual and for the equality of the rights of every citizen, irrespective of race, nationality, creed or language.

ANNEX III.Hungary and her neighbors.

(A report received in January 1944 from Hungary.)

Everything has been done from the Hungarian side, to create with all neighbors relations, that would prepare a satisfactory final settlement. This however has not succeeded for many reasons.

The foremost reason for this failure is, that Hungary does not know, who her neighbors are. This might seem paradoxical, but is a fact. Hungary is again filled with refugees from every country, victims of political persecution or politicians with foresight. These refugees belong to all races: Serbs, Slovaks, Slovenes, Croats, Rumanians, Ukrainians, etc. From everywhere the stream has led to Hungary. And here we mention only those from neighboring countries; there is already a great number of Poles, French, Belgians, Dutch, etc. If one considers this great mass of refugees, who mostly belong to the more prominent political class of the country they left, one might well ask: with whom can or should Hungary start conversations? Here are for example the Slovaks. There is first of all the Tiso-Tuka-Mach group, which pretends to rule the country. Then there are the Slovaks in London, who pretend to collaborate with Dr. Benes. In contradiction to the professed Czech-Russian friendship there exists furthermore a third group, the Slovak Guard in Moscow, which is in bitter opposition against the two preceding ones. Then there is a fourth group residing in Hungary, which has given proof of some following. Finally there is the very popular Slovak leader, Dr. Carol Sidor, who has a powerful following.

Dr. Sidor has his following in Slovakia, but has kept aloof from the other four groups.

On these premises it is evident, that there is no political leadership in Slovakia, with which permanent friendly relations between Slovakia and Hungary could be established. Hungary is forced to try to establish modus vivendi with each of these groups until such time, as the Slovaks themselves will solve their questions. The basic condition to a lasting solution between Slovakia and Hungary is a permanent Slovakian policy and a permanent Slovak Government.

If we consider the present Government of Slovakia and the present State of Slovakia, we come to the conclusion that they both are under complete German influence and that all their manifestations are purely German manifestations. Independent Slovakian manifestations are rare, and if they occur, they never get abroad, because the Czech Government in Exile has been successful in preventing their publication in England or in the U.S.A. The newspapers published today in Slovakia are under the direction of the German-Slovak propaganda center, which operates in Vienna, Bankgasse 1. From there they get their orders, reprimands and their money. This center in Vienna contains all those forces, which in the mind of Germany are useful for work against Hungary. At the same address we find also the Carpatho-Ukrainian and Croat centers. In this center at Bankgasse 1 they prepare those actions which Slovaks, Carpatho-Ukrainians and Croats are expected to carry out against Hungary. Hungary has officially and unofficially protested many times against the operations of that center, but so far without any practical result. A Hungarian-Slovak agreement at this time does no longer depend on the Tiso-Tuka

Mach group, but on the German center in Vienna. Whether any change can be expected, cannot be foretold at this time.

The Croat situation is similar, and the picture there is not only tragic, but at times even comic. Croatia is mainly in the hands of individuals, who thank their very lives to the fact, that during the bloody dictatorship of King Alexander they either received asylum in Hungary or were given permission to escape through Hungary into other countries. These elements conduct at present a wild anti-Hungarian propoganda, this being the order from the German center.

As far as Rumania is concerned, the situation is such, that there is little hope for a change to the better. In this connection it is interesting to quote from a speech delivered by Arpad Arvay, member of Parliament for Transsylvania, in the Hungarian Lower House on November 26th, 1943:

"The solution in the Hungarian-Rumanian question -" said Arpad Arvay - "is the most difficult problem whose early solution is imperative for the Hungarian Government. Many reports and data inform us, that the Hungarians -and there are hundreds of thousands- who still live under Rumanian domination, are obliged to live under completely intolerable circumstances, although we had concluded many peaceful agreements and had made all possible efforts.

It is a curious fact, that the Rumanian State, which had to pay with the collapse of its constitution and with a considerable territorial loss for its illtreatment of the minorities, even today continues to choose oppression rather than understanding. Those great

powers, who acted as umpires between Hungary and Rumania obliged both countries to give to their minorities legal rights and a possibility to live. It should be understood that in Hungary these obligations of the Vienna award have been scrupulously fulfilled, at many times even far beyond the actual obligations. It is to be regretted, that this patient attitude has not found any echo from the other side. Rumania has continued her policy of oppression not only toward the Hungarians, but also toward all other minorities under her rule. It should not be forgotten, that since the Vienna award Rumania has not only accepted particular obligations toward the Hungarians, but also toward her German minorities. It is only under these premises that we can understand the full measure of the injustice in the tragic situation of the hundreds of thousands of Hungarians forced to live under Rumanian domination. Day after day we receive more and more shocking reports. These indicate that the situation of the Hungarians under Rumanian domination has become absolutely impossible. Those who know Rumanian "justice" and the way Rumanian "laws" are made, understand that these laws are made in Rumania in such a disorderly and sloppy manner that they can always be used as a weapon against a minority. There are for instance financial laws that are constructed as traps in which the Hungarian peasants, industrialists, tradesmen or workers must fall even against their best will. These laws are so made, that the determination of an infringement as well as the judgement on the matter is to be made by the same executive officials, who act under secret instructions. Furthermore no proof to the contrary is admit-

ted as evidence. Thus it is possible that Hungarians are punished in such a manner that it means complete material ruin for them. We have been informed that Hungarian firms or Hungarian tradesmen, which had been operating for decades, had to close down, because of these financial regulations. There is furthermore the so-called "Sabotage -Law" which has just recently been strengthened exceedingly against the Southern Transsylvanian Hungarians. On the basis of this law, there is no legal evidence against the protocol of the executive official. The officials, delegated specially for that purpose, can establish at will such protocols not only against Hungarian industrialists or tradesmen, but even against market peddlers. These protocols charge the victims with such grave crimes, that they not only involve confiscation of all property, but generally also a punishment of several years of penitentiary. The unfortunate Hungarians are either ruined and sent to jail, or escape in their desperation beyond the border.

The Rumanian authorities have lately also concentrated on the farmers. With unbelievable cruelty they have been carrying on the confiscation of all cattle. The authorities carry away every animal and the farmers either receive nothing in compensation, or only such a small sum that it is not enough to pay the transfer tax. The Rumanian authorities confiscate the animal and pay in the best case 3 fillers (0.07 cents per 2 pounds) per kilogramm.

This situation has gone so far that a member of the Hungarian minority in Rumania can no longer be Government official, tradesman, industrialist or even a worker. If by a miracle a member of the minority

still finds somewhere employment, there follows with all its horrors the so-called labor-camp. In these labor-camps thousands of Hungarians live in unbelievable misery, dirt and starvation. These are not only men in their best age, but also young men between 17 and 18 and old men between 67 and 69 years of age.

For example the Rumanians have been building the railroad line Deva-Brady since years. In this dreary country work 1600 Hungarians called in for labor, mostly people around 50 years. These men are working together with convicts condemned to from ten to fifteen years of hard labor and the treatment is the same for them as for the convicts.

Even worse is the situation of those Hungarians who have been conscribed for labor in the Szurduk valley. Six thousand Hungarians work there and expect with fears the winter. Last winter there was in this labor-camp a group of Russian prisoners of war. The camp itself is only a group of barracks made of light wooden planks. Consequently almost all the Russian prisoners of war froze to death. The cemetery of these unfortunate victims is at the doors of the barracks, where now the Hungarians live. The Hungarians are infested with vermins, have many contagious diseases and are on the verge of starvation. The Rumanian guards call the camp cynically "Cimitirul Ungurilor", which means: "Hungarian Cemetery" - the cemetery of the Hungarians.

This labor-service does not last two or three weeks, but very often ten to twelve months and during that time the family at home receives no compensation or support. In most cases the family business

is destroyed and goes into bankruptcy. But it often happens that when the Hungarians finally return to their homes, they even no longer find their wives and families, for since October even the women are called into labor-camps. Young girls and women have been inducted, even mothers with young children. So for example all dressmaker and needleworkers -mostly young girls- from Torda have been ordered to Nagyszében to work for the soldiers. I need not stress the fact of what happened to these unfortunated unprotected girls in the barracks of unleashed Rumanian soldiers.

To top all this the Rumanians have ordered, that so-called Refugee-Rumanian families be established in houses belonging to members of the minority. It has frequently happened that Hungarians were suddenly removed from their own houses in order to make place for so-called refugees. This mode of treatment is proof, that the Hungarians are not equal-righted citizens in Rumania and that they do not enjoy any rights at all.

On the basis of official informations I could continue to enumerate these facts about the illtreatment of the Hungarian minority under Rumanian domination. But the facts I brought to your attention are sufficient to show that this situation can not longer continue.

When exposing this situation I want also to turn toward Rumanian public opinion requesting it not to forget that whether they like it or not, they have common interests with the other Danubian nations. In this decisive hour the Rumanians should understand that it is in their interests to change their attitude toward their neighbors. The Hungarians do not want to exploit the tragic, nay desperate situation in which

Rumanian finds herself. If the Rumanians are ready to treat the Hungarians decently, there is still a chance to find ground for collaboration."

This speech gives a complete picture of the Hungarian-Rumanian relations.

Mihaly Antonescu, Rumanian Vice Premier, made a public speech recently in which he declared that Rumania has no interests whatsoever to come to terms with Hungary, because in case of German victory it would be the Germans who would decide the future of Transsylvania, while in the case of Russian victory, it would be the Russian word, that would be the "fiat". Mr. Gafencu on the other hand has declared in Geneva, that the fate of Rumania would be saved by Benes. "Hungary alone", he declared, "would sit on the bench of the accused, for even the Germans would come out of this war relatively unharmed. "

The cruel treatment of Hungarians by the Nazis and their friends is resented so much more by the Hungarians, as the treatment meted out to the Czechs in general is much more benevolent. Czech workers as a recompense for their punctual and successful work rank equally with the Germans. Workers of the Skoda factory receive the same amount of rationed food as any similar worker in Germany. It is to be noted, that workers of other "satellite" countries like Hungary, Bulgaria and Finland do not receive from Germany the same consideration.

A large proportion of the Czech population collaborates willingly with the Nazis, and even volunteer for the German Army. The German 5th and 8th Sharpshooter Division, the 18th Motorized Division,

the 225th, 290th, 81st and 122nd Infantry Divisions are composed to 40% of Czech nationals. These Czechs have volunteered for the German army as anti-Communists and several of them have decorations for bravery shown in their fight against the Red Army.

Austria folder 1-44

SECRET

By authority A.C. of S., G-2

Franklin D. Roosevelt Library

Date *22 March* *CB*

DECLASSIFIED

WAR DEPARTMENT

Initials

5200.9 (9/27/59)

**WAR DEPARTMENT GENERAL STAFF
MILITARY INTELLIGENCE DIVISION G-2
WASHINGTON**

*Message sent
March 27/44*

Date- *12-2-69*

Signature: *J. R. [unclear]*

22 March 1944.

MEMORANDUM FOR THE PRESIDENT:

Subject: Archduke Otto's Request for Special Transmission of Messages.

1. Recommend that the request of Archduke Otto of Austria for the transmission of the attached message to his brother in Lisbon through military attache channels be approved.
2. There is no objection to the transmission of the same message to Stockholm as he requests. It would be preferable, however, to have the State Department send a digest of the proposed message to their representative in Stockholm.
3. Mr. Dunn, State Department, concurs in the above recommendations.

Clayton Bissell

CLAYTON BISSELL,
Major General,
A. C. of S., G-2.

Enclosure:
Message
Personal letter from Archduke Otto

O. K.
Please do this

F. D. R.



~~SECRET~~

THE WHITE HOUSE
WASHINGTON

March 22, 1944.

MEMORANDUM FOR

MAJ. GEN. CLAYTON L. BISSELL
ASST. CHIEF, AIR FORCE INTELLIGENCE

Will you be good enough to let
me have your recommendation on the
enclosed?

F.D.R.

(Please return correspondence
to me.)



Washington D.C., March 21st 1944.

Dear Mr. President,

Enclosed please find the text of a telegram which I would like to send to my brother Charles Louis in Lisbon.

It is prompted by the events of the last 24 hours in Hungary and its goal is to mobilize what remains of free Hungary outside of that country, so that the deplorable events that accompanied the German annexation of Austria should not be repeated. On the other hand, the telegram is put down in cautious words, in order not to provoke any step that might break off the lines to Hungary. As I hear the news at this moment, it is not yet absolutely clear what really happened and it might be possible that Hungary could retain some form of mitigated independence, which could be still better than the complete and unconditional German occupation. Even a mitigated independence might permit, at some future date, a changing of sides.

As in the case of Austria for instance the Germans moved into the Austrian Legations within 48 hours, the matter is naturally very urgent. I would therefore be very grateful if you could have the kindness to give it your consideration today. In case you would not disagree with my thoughts, I would be most grateful if you could order that this telegram be sent to General Clayton Bissell, for immediate telegraphic coded transmission through the Military Attaché in Lisbon to my brother. I would be also most grateful if you could order that my brothers reply be transmitted telegraphically by the same way. This is the way that has functioned on your order very well and discreetly in the last months, except that I could use only the pouch. But in this case I think that only a telegram can bring any result.

Could I also ask you, dear Mr. President, to have the great kindness to let me know your decision through Miss Tully. I would be also grateful if I could know whether it would be possible for me to send a similar telegram - also via the U.S. Military Attaché - to Mr. Reviczky-Ulain, Hungarian Minister in Stockholm, who at least in the past was one of my followers and who might be brought into action, if this would seem advisable. It is needless to say that you can be assured that nothing ever will be known of any of these steps.

With all my best wishes and most respectful regards I remain, dear Mr. President,

Yours very sincerely

Ill of Austria.

TELEGRAM BY CODED CABLE.

To U. S. Military Attaché, Lisbon :

Please transmit to Prince Charles de Bar, Rua Sampaio e Pina 50 / Rc, Lisbon, most urgently the following message from his brother Otto : The news here about the German occupation of Hungary are still lacking clarity, so that judgement cannot yet be passed. stop. I beg you to contact Wodianer and to discuss situation with him stop . In case Hungary should retain such amount of independence after the occupation, that it could still perform useful tasks for the Allied cause, I advise diplomats to remain quiet and to see what useful contacts they could still establish with Budapest. stop. In case the German occupation would deprive Hungary of any further possibility of free movement and would therefore assume the character like the occupation of Czecho-Slovakia or Austria, the moment would have come for the Hungarian diplomats to carry on the Hungarian struggle for liberation, even in face of a Nazi-sponsored Hungarian Quisling-Government like one headed by Szalasy or Imrédy. stop . Under these circumstances Hungarian diplomats in neutral countries should refuse to yield their legations and continue to represent the legal Government of Hungary stop. Even if only one minister would take this step, it would be worthwhile stop. Advice that Wodianer contact his colleagues in Stockholm, Bern, Ankara, Madrid and Vatican in view of making common steps on that behalf. stop. By acting so under given circumstances they would render marked service to Hungarian cause. stop. As soon as I know what course of action has been taken, I am ready to help them as much as I can. stop. Please tell Wodianer that I most earnestly urge him not to return to Hungary at this time under any circumstances. stop. He should not forget what happened to his Austrian colleagues. stop. Fuerst of same opinion as I am stop. Please reply at once telegraphically same way as this telegram reaches you your decisions and reactions. - -

THE WHITE HOUSE
WASHINGTON

March 22, 1944.

MEMORANDUM FOR

MAJ. GEN. CLAYTON D. BISSELL
ASST. CHIEF, AIR FORCE INTELLIGENCE

Will you be good enough to let
me have your recommendation on the
enclosed?

F.D.R.

(Please return correspondence
to me.)

Ltr. to the Pres., 3-21-44, from Otto of
Austria, encl. text of telegram which he
would like to send to his brother Charles
Louis in Lisbon re German occupation of
Hungary.



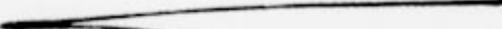
Washington D.C.
March 21st 1944.

Dear Miss Tully,

Enclosed please find
a very urgent letter to the President
I would be most grateful if you could
bring this letter to the attention
of the President today, because it is
such that every hour counts.

Thanking you in ad-
vance for your kindness and with my
best regards I am, dear Miss Tully,

Yours very sincerely


Wolfgang von Habsburg

Austria folder
1-44

THE WHITE HOUSE
WASHINGTON

March 30, 1944.

MEMORANDUM FOR

MAJOR GENERAL CLAYTON BISSELL

The President directed me
to send the enclosed to you.

Grace G. Tully
PRIVATE SECRETARY

(Enclosure)

Message from Archduke Otto to
his brother in Lisbon.

Austria folder
1-44

THE WHITE HOUSE
WASHINGTON

April 7, 1944.

MEMORANDUM FOR

COLONEL HECKEMEYER:
Room 2 E 800
Pentagon Building

If you approve, would you be
good enough to send the enclosed message?

F.D.R.



Washington D.C., April 5th 1944.

Dear Miss Tully,

Would you please have the kindness to arrange that this telegram be transmitted as soon as possible to my brother Charles Louis in Lisbon, through the office of General Bissell, where during the absence of the General the matters are handled by Colonel Heckemeyer.

I hate to be forced to bother you now all the time. Unfortunately the Hungarian Ministers are growing very restless and on the basis of a message I received a few minutes ago I fear that they might start some uncontrollable action of their own, if I am not able to give them clear orders soon. Obviously they are not yet used to be in exile.

I hope, that with a definite decision on all the pending matters, I will no longer have to impose so much on your time.

Thanking you, dear Miss Tully, in advance for your kindness, I am, with my best wishes,

Yours very sincerely

Duoy of Austria.

(2863)

Austria folder
1-44

Sims
CE

THE WHITE HOUSE
WASHINGTON

April 15, 1944.

MEMORANDUM FOR:

THE SECRETARY OF STATE.

I approve your letter of April 12th in regards to the Archduke Otto. I think the policy should be brought, by you or somebody in the State Department, to his attention.

F. D. R.

Transmitting carbon of memorandum which the President received from the Secretary of State under date of 4/12/44, in re the Archduke Otto of Austria.

DEPARTMENT OF STATE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

April 12, 1944

With reference to the letter of April 4 addressed to the President by the Archduke Otto, and the President's covering memorandum of April 7 requesting comment on the Archduke's proposals:

Action by this Government along the lines suggested by the Archduke would require consideration of several matters of major importance, to wit:

1. The plans outlined by the Archduke Otto in Annexes II and III to his letter amount in substance to a proposal that the direction of the resistance movement within Hungary, and the operations leading to the restoration of the Crown of Hungary to the Archduke, be conducted from the United States, with the active participation of agencies, military and civilian, of this Government;

2. The support required for the proposed Hungarian Council of Resistance which would be established in Washington, would involve even more than the "recognition" the Archduke is willing to forego, in that the detail of liaison officers, the use of American communications services, the authorization of publicity and propaganda agencies, and the allocation of blocked funds (Annex III), would place the Hungarian Council directly under the auspices of this Government;

3. The proposal contemplates an exclusively American sponsorship for the conduct of the Hungarian resistance movement, whereas this Government has agreed that our dealings with Hungary, as with the other enemy states in Europe, will be in full consultation with the British and Soviet Governments.

The implications of these considerations suggest that neither from the point of view of public opinion in this country nor in view of our political and military engagements for acting jointly with other governments in the conduct of the war in Europe, would it be to our national

interest

interest for this Government to agree to the proposals advanced by the Archduke.

It should be observed that steps have already been taken to achieve some of the aims set forth in the Archduke's proposals. Immediately after the German occupation of Hungary the Department authorized our representatives in the neutral capitals informally to assist in enabling the various Hungarian diplomatic missions and underground agents to coordinate their plans for building up the resistance forces within Hungary. These were provisional and emergency steps, but they served their purpose in enabling the Hungarians abroad to survey their prospects for contributing to Germany's defeat. The British are informed of what these Hungarian representatives are planning, and the Russians are probably now coming into the picture as well. The British, in fact, have now notified the Department of their views as to a more definite policy, and hope that Washington and Moscow will express their general agreement and thus make it a joint policy. In summary the British proposal discourages the recognition of a free Hungarian movement, but favors steps to build up the Hungarian officials who have repudiated the present regime, with emphasis on strengthening the resistance elements within the country, leaving Hungary's future to be worked out by the people at home if they unite in active resistance to the Germans.

The Department has not yet replied to the British suggestion, but would recommend it to the President as being in substantial accord with the Department's views, and preferable to a unilateral support, on our part, of any particular Hungarian group. It would be appreciated if the President would indicate whether he approves. Moreover, the advantages of a joint policy, with its additional value as an example of cooperation of the principal Allies in European questions, are apparent.

Enclosures:

Letter from the
Archduke Otto with
its enclosures.



Washington D.C., April 4th 1944.

Dear Mr. President,

First of all, let me thank you most warmly for your kindness for having acted rapidly on my requests in these last days. I am the more grateful as I know that you have not been feeling well and that therefore my letters and notes meant an added strain on you.

For this reason also it is only reluctantly that I send you this letter and the vital Annexes to it. I would have certainly waited if I was not forced to act because of the situation in Europe. But without endangering the whole future I can no longer let the Hungarian diplomats and the Underground wait for instruction and for guidance.

I join to this letter three Annexes, which cover the problems :

- 1.) A short historic review of the events leading to my present letter to you;
- 2.) The plan of the Hungarian Council for Resistance.
- 3.) A short outline of measures that would be necessary and for which we would ask your kind assistance in order to help the Hungarian Council for Resistance.

I would be most grateful if you could let me know as soon as possible, for the aforementioned reasons, your views, your advice and your decisions on all these matters.

Needless to say that, as in the past, you can be assured of my absolute discretion on this

entire subject.

With my best wishes for a prompt and complete recovery of your health and with my renewed thanks for your kindness and respectful regards I remain, dear Mr. President,

Yours very sincerely

Wm of Austria.

Annex I.

Historic review of the diplomatic and military events leading

to the present letter.

N.B. This is a compilation from Hungarian official documents
and official telegrams from Lisbon.

1.) Evolution of the situation since January :
Hitler refuses to General Szombathely, Chief of Staff of the Royal Hungarian Army, the return of the remainders of the eight Hungarian divisions, which are scattered behind the Russian front. He demands new action against the Jews, the sending of Hungarian workers to Germany, more supplies and more raw-materials. He demands the extradition of the interned American and British pilots. All these demands are rejected. Hitler declares early in February that he expects that the Hungarian army shall fight on the Hungarian border against the Russians. In the same time Hitler conspires with Hungarian Nazis.

2.) On March 14th Hitler demands in a stiff note the shipping of 25.000 Jews per week to Germany. Reason : In Hungary live in freedom more than a million Jews, more than in the whole remainder of Europe; this becomes intolerable with the approach of the Soviets. - The Hungarian Cabinet rejects this demand unanimously and notifies the Germans on March 15th.

3.) On March 16th Hitler invites Horthy urgently for a visit at his headquarters in Germany on the matter of the Hungarian troops in Russia. - Horthy sends a telegram to the Hungarian ministers in neutral countries ordering them that, in case of German invasion, they should immediately seek contact with their American and British colleagues and should put themselves at my disposal. He furthermore sends a document for me as the legitimate King of Hungary, containing full powers. This document is deposited with my brother Charles Louis in Lisbon. Horthy orders the army to resist in case of invasion. Only then does he leave for Hitler's headquarters.

4.) A Hungarian Underground is organized and its arming had also been started. It is put under my orders through an intermediary agent in a neutral country.

5.) At Horthy's arrival Hitler demands from him the complete mobilization of Hungary against Russia, the extradition of all Jews, refugees and prisoners of war to Germany, the shipping of 250.000 workers to Germany, the handing over of the Hungarian food and raw-material reserves ; Horthy refuses these requests. Since that time nobody has seen him and the place of his present residence is unknown.

6.) While these conversations take place, the Germans attack by surprise Hungary with extensive use of parachutists. The Hungarian troops offer scattered resistance.

7.) The Kallay-Government refuses to resign and the Germans, not Horthy, appoint a new Government in Hungary, which at once suppresses the Hungarian Constitution.

8.) Only the Hungarian Minister in Ankara follows the orders of the Quisling-Government. The other heads of diplomatic Missions follow Horthy's orders to keep the Legations for the legal Government, subject to my instructions. This is done in Lisbon, Madrid, Bern, Helsinki and Stockholm. There is good outlook that the neutral countries will continue to recognize these diplomats as the representatives of the legal Government of Hungary.

9.) The just mentioned five Ministers report to me on March 29th, they ask for further instructions, suggesting that, in conformity with their instructions and the powers deposited by Horthy, I at once appoint a new Hungarian Government.

Annex II.

Plan of the Hungarian Council for Resistance.

Although the legal basis obviously exists. I do not intend, - for the time being - to create a Hungarian Government in exile. On the other hand, it has become urgent and indispensable that some competent Hungarian Authority be created for guidance and coordination of all Hungarian efforts for the fight against Hitler.

It is therefore planned to organize a Hungarian Council for Resistance, composed now of the five loyal Hungarian Ministers, namely the Ministers in Lisbon, Stockholm, Madrid, Bern and Helsinki. - As soon as this Council is organized, it shall elect as its Chairman Mr. John Pelényi, former Hungarian Minister in Washington D.C., and at this time professor in Dartmouth College. The members of the Council retain their present diplomatic posts. Membership of the Council is limited to active diplomatic representatives of Hungary, whose number might still increase. Besides electing Mr. Pelényi as its President, the Council may designate also other Hungarian personalities for specific tasks or missions. Neither myself nor Mr. Eckhardt are included in the Council.

The Council is not a Government. It constitutes nevertheless the only existing organ of the legal Hungarian Government deprived at present of its liberty of action. By the formation of this Council, the continuity of Hungarian constitutional life is maintained. The Council shall cease to exist when constitutional order on Hungarian soil is restored.

The Council offers its services to the Allies.

The Council's aims are :

- 1.) To unite, organize and direct the Underground Forces in Hungary as well as Hungarian factors abroad for political resistance and for armed fight against Hitler.
- 2.) To save patriots, Jews and refugees in Hungary from extermination by the Nazis.

The Council has no other aim. But by its existence and by its actions Hungarian Statehood survives and the participation of Hungary in the fight against Hitler is assured.

I believe it to be my duty to proceed to the formation of this Hungarian Council for Resistance as soon as your acceptance of this plan has been won.

Annex III.

Requests :

Leadership of the contemplated action and the Central Office of the Council for Resistance, is planned to be located in Washington D.C., as I desire to keep all activities of the Council in full harmony with the U.S.A. views and policies. Should I be fortunate to receive your consent, the following assistance seems indispensable for the efficient and orderly functioning of the Council :

A.) In general :

1.) Authorization for the publication of the organization and the aims of the Council, with the moral backing of the U.S.A. Government.

2.) As the main activity of the Council for Resistance would be carried on along Underground lines, some form of stable military collaboration, also by appointment of a military liaison Officer with the Council. Designation of an Officer of liaison also by other interested Government agencies would improve efficient collaboration in every respect.

3.) Authorization of rapid and secure means of communication between the Central Office in Washington D.C. and each member of the Council in neutral countries.

4.) Authorization for the use of an adequate news-and propaganda service directed towards Hungary for the information and guidance of the Hungarian people.

5.) If necessary: the unfreezing of some Hungarian assets in order to cover the costs of the Washington Central Office and eventually also of member-legations in neutral countries which do not possess adequate financial means.

Should you, Mr. President, approve of these measures, I beg to ask you to give the necessary orders to the interested Government agencies.

B.) Specific instructions : seem further needed in order to secure urgently harmony amongst the widely scattered Hungarian forces of resistance in Europe :

1.) An order to General Bissell to grant me the possibility to wire to my brother through General Bissels channels (as in the past week). Also authorization to my brother Charles

Louis to send me wires through the same channel.

2.) Authorization for Archduke Charles Louis to travel by the Military Transport Plane from Lisbon or from the Azores to the United States and back to Lisbon. - Also instruction to grant to him the U.S. Visa in Lisbon as well as an immediate Exit-Permit from the United States for his return to Lisbon. - The reasons for his trip are :

a) Charles Louis has received valuable secret information which he should report personally to you and to myself.

b) Charles Louis is seriously ill and has to go to a hospital, probably for an operation, which should be performed here and not in Portugal. But he cannot leave Lisbon before he is adequately replaced by his brother Rudolf.

3.) Authorization that my brother Archduke Rudolf be granted the use of the Military Transport Plane to the Azores or to Lisbon, in order to replace urgently Charles Louis, especially in maintaining contacts with the Underground.

Austria folder
1-44

THE WHITE HOUSE
WASHINGTON

April 7, 1944.

MEMORANDUM FOR

HON. JAMES C. DUNN

Will you be good enough
to let me have your views on the
enclosed from Archduke Otto?

F. D. R.

Austria folder 1-44
file
Personal

THE WHITE HOUSE
WASHINGTON

April 17, 1944.

MEMORANDUM FOR
COLONEL HECKEMEYER

If you approve, will you
be good enough to send the enclosed
message sent to us by Archduke Otto?
A copy has been sent to Mr. Duhn.

GRACE G. TULLY
Private Secretary

(Enclosure)

THE WHITE HOUSE
WASHINGTON

April 17, 1944.

MEMORANDUM FOR

HON. JAMES C. DUNN

At Colonel Heckemeyer's request
I am sending you herewith copy of a
message received from Archduke Otto.

Grace G. Tully
PRIVATE SECRETARY

(Enclosure)

C O P Y

BY CODED CABLE TO LIBBON

To M. A. Lisbon.

Please communicate to Prince Charles de Bar, Rua Sampaio e Pina 50 R/c, Lisbon, urgently the following message from his brother Otto: Final decision on matters is pending until return of President from his vacation which according to press should be around end of next week stop Until that time a decision is improbable stop Please communicate that to the ministers stop Filteau will soon leave for his new destination but not before final decision on the Hungarian matter stop Expect you to come after that to report here stop Concerning Hungarian Legation in Argentina have talked with Argentinian Ambassador here who promised me to do his best to help favorable solution for status of Semssey and will answer me in due time stop Had April 13th exhaustive conference with Eckhardt and Pelenyi on all matters stop Eckhardt made it very clear that he would absolutely refuse to be publicly connected with the Council for Resistance stop You can say this to Wodianer stop Otherwise we worked out all plans for Council for the moment we would get the green light from the President, according to the general ideas outlined in my letter to you from April 7th stop Will instruct you in detail in due time stop The main thing is to get ministers to wait until clarification of situation here and you are asked to impress this upon

them as the common opinion of us three stop Thank you very
much for your letter of March 29th which I received on
April 12th stop Have not received your letters 5, 7 and
8 stop Best wishes for your health stop Please confirm
immediately by wire receipt of this telegram.



Washington D.C., April 14th 1944.

Dear Miss Tully,

Let me first thank you for having kindly submitted my last telegram for my brother in Lisbon to the President, and to have seen to it that it was sent by the War Department.

I have to ask you the same favor again. Would you therefore have the great kindness to get the authorization of the President that the enclosed wire be sent by General Bissell to my brother.

The main reason of the telegram is to prevent any independent action until such time as the President will have the possibility to give me a reply to my letter concerning the future Hungarian action.

Thanking you in advance for your kindness and with my best regards to you and to your mother, I am, dear Miss Tully,

Yours very sincerely

Duke of Austria.

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DEPARTMENT OF STATE
WASHINGTON

April 20, 1944

MEMORANDUM FOR THE PRESIDENT

Appended to the letter of April 4 addressed to the President by the Archduke Otto enclosing various documents on the Hungarian question was a separate memorandum concerning the situation of the former Austrian Minister to Brazil.

The Archduke's memorandum suggested to the President that we request that our Ambassador in Brazil say something to encourage the Brazilian Government to re-recognize the former Austrian Minister there. The Department would see no objection to Brazil's according some further privileges or recognition to Mr. Retschek, but it would be difficult for our Ambassador to make recommendations in the matter, since we would not favor similar action here, if the former Austrian Minister in Washington should request it, nor have we believed that it would be useful at this time to have any Austrian representative recognized by this Government.

Enclosure:

Memorandum

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MEMORANDUM : RE : The Austrian Situation.

The Austrian Minister in Brazil, Mr. Anton Retschek, as well as the Austrian Consuls there have remained after the occupation of Austria in that country, although they left the legation.

After the entrance of Brazil into the war, the Brazilian Government accepted the Minister again as agent for the Austrian interests in Brazil.

The Czecho-Slovak Minister in Brazil, who in time of the occupation of the Czecho-Slovak Republic had equally resigned and yielded his legation to the Germans, was accepted again as Minister by the Brazilian Government on the ground that the occupation of Czecho-Slovakia was illegal and that therefore his resignation was illegal too.

After the Moscow Declaration several Austrians contacted the Brazilian Government asking that Mr. Retschek be again recognized as fullfledged Austrian Minister, just like the Czecho-Slovak Minister. - The Brazilian Government replied in a sympathetic mood, but made it well understood that it would not act unless receiving a secret encouragement from the U.S. Government.

The matter is important for Austria, as the re-appointment of Mr. Retschek would give Austria a non-partisan, non-political legal representation for all technical matters, without creating any political polemics and without arousing factional fights. The advantage would be furthermore that it would be Brazil that could go ahead and could then be followed later by the U.S. Government. Thus the U.S. Government would escape all possible criticism.

A word of encouragement to the Brazilians would be decisive, according to a statement by Ambassador Caffery. This recognition known in Austria would greatly encourage Austrian resistance without prejudice for any future solution. At the same time it would give the Austrians the feeling that they are not forgotten in the free world. They were bitterly disappointed by the absence of any representative in Atlantic City because they fear starvation after the liberation. Having a representation of purely technical character, this would assure them that they will receive a square deal once the enemy is destroyed.

I would be very grateful if on this matter I could receive a reply as to the willingness of the United States to give this encouragement to the Brazilians.