# Steps to Set up a Hungarian Emigré Government in the West, at the Beginning of the Second World War

Lajos Olasz Associate professor University of Szeged Hungary

### Abstract

At the end of the 1930-ies, Germany's expansion towards the East, the invasion of Austria, Czechoslovakia then Poland also represented imminence for the Hungarian government. In spring 1940, Regent Horthy and Prime Minister Teleki took the fact into account that Hungary could be Hitler's next victim, therefore in secret they took steps to set up a Hungarian emigré government in the West. However, Horthy wanted to leave the country no way. He trusted in the option of negotiating with Berlin. After Germany's attack against France, the plan of emigré representation was given up. The Hungarian leaders did not want to provoke German invasion by any chance with this step. In spring 1941, when Hitler turned again towards the East, the regent started to consider the establishment of an emigré government afresh. The Western powers, especially the British politics, received the Hungarian intent very reservedly. They did not give any sign of appreciating the Hungarian endeavours. However, Germany required closer cooperation. Finally, the Hungarian government gave up the plan of the emigré government and gave in to the German pressure.

Keywords: German expansion, emigré government, secret diplomacy, World War II

#### Introduction

Already in summer 1938, the Hungarian political leaders interpreted Hitler's expansive politics as leading to the destabilisation of the entire Middle-Eastern European region, which represented a threat to each country that did not accept the national socialist conception and Berlin's leading role. Although Hungary had built out close economic relationships with Germany, most of the Hungarian political elite were the devotees of the constitutional parliamentary system in internal affairs, and the Western orientation in foreign policy. Hitler's aggressive politics encouraged the Hungarian extreme right forces that pressurised the government politically more and more. In the tense international and internal political situation, prime minister Imrédy (who gradually got under the influence of Germany's economic and military force), envisioned the solution in an increased cooperation with the extreme right wing. Although Imrédy was discharged a few months later, one had to keep on counting with the German influence and the strengthening of the extreme right wing. The pro-Western circles considered the need for preparing the travel of some respectful politicians to the West and setting up an emigré government that could have ensured the international representation of the sovereign Hungarian state upon an invasion or coup attempt.

#### An attempt to organise a Hungarian emigré representation in the West

After the start of the Middle-European German penetration, in September 1938, János Pelényi the Hungarian ambassador in Washington brought up to István Csáky at a negotiation that it would have been expedient to prepare for every possibility in the sharpening international situation. Csáky was the Chief of the cabinet of the Foreign Minister (in December 1938, he was appointed as Minister of Foreign Affairs). According to Pelényi, if Adolf Hitler wanted to expand his influence to Hungary by using military forces, the Hungarian government should leave to the West. With this, they could deprive the new regime created by the Germans of all of its legitimacy. It could also represent the Hungarian interests to the Western powers in an appropriate way. In order to prepare this, a public person having enough prestige should be sent to the West as soon as possible, who as the" foreign agent" of the government could start to build contacts and arrange the activities of the Hungarian emigré government.

On 17 April, 1939, Pelényi summarized his recommendations concerning the setting up of a Hungarian emigré representation in the West in a separate memorandum. He reminded that during World War I sufficient emigré representation was not formed in the Western countries. The Hungarian viewpoints were not known, not appreciated in the West, in contrast with e.g. the Polish ones, because they had "reputable" representatives at both world-power clusters. That is why a foreign agent with authority who is trusted by the government must be nominated as soon as possible, who – if necessary – regardless of the changes taking place at home is able to represent the Hungarian interests to the West and demonstrates also with his activity that Hungary only collaborates with the Germans under pressure. This is how having Trianon again can be avoided.<sup>1</sup> Pelényi explained that in case of a German military occupation, the Hungarian foreign representative bodies could keep on operating and the diplomats could stay in their positions. If, however, the Hungarian government joined the Germans voluntarily, the Western embassies would be closed and the diplomats should leave. This situation could be modified at most if the ambassadors would withdraw from their positions already before the official break, with this also indicating their anti-German conviction. Perhaps they could preserve their personal credit and relationships in such a way.<sup>2</sup>

Urgent measures would need to be taken, too, to make sufficient funds available in the most important Western countries, which could be used by the delegated foreign agent upon necessity. The ambassador in Washington called the attention to the activity of the Czech emigré government. He emphasized that Edvard Beneš, who had already travelled to America before his country's full collapse, could gain substantial influence without setting up an official emigré government. Pelényi warned about the strengthening Czech propaganda against the Hungarians, and that it would be a serious mistake if the Hungarians did not do anything for the sake of captivating the Western public opinion.<sup>3</sup>

In June 1939, the ambassador travelled home for a holiday, and personally shared his ideas with Teleki head of government. Teleki mostly agreed with the ambassador's opinion and told that in case of a German aggression he would immediately leave for abroad and he would continue to represent the country there. Pelényi was also received by the regent, who although did not expect close danger, but he agreed that the country's situation and endeavours should certainly be made well known to the Western politicians and public. Pelényi, with the head of government's knowledge, had consultations about this topic, including István Bethlen and Miklós Bánffy.<sup>4</sup>

The news about preparations for German expansion towards the West urged the establishment of a Hungarian representation. In January 1940, Louis de Vienne who came to visit Hungary reported such hearings. The former French ambassador in Budapest raised that in case of direct German threat towards the country, the regent and the members of the government should leave for Western Europe, and Horthy should nominate a new migrant cabinet there, the composition of which would suit the changed situation.<sup>5</sup> The seemingly private purpose visits of two respectable Hungarian politicians, which were actually goodwill trips supported by the government: Antal Sigray's trip to England in February and Tibor Eckhardt's visit to America that started in April were both related to the preparation of the Hungarian emigré representation in the West. Teleki negotiated with both of them before their departure and asked them to represent his political endeavours authentically. The two politicians (as well known representatives of two different streams of the Hungarian public life) could attract attention from different Western Hungarian groups, and Anglo-Saxon circles.<sup>6</sup>

The Germans' expansion on the Balkans represented the greatest risk for Hungary. On 9 February, Sztójay Hungarian ambassador in Berlin informed the government that in case anything had hindered oil transportation from Romania to the Third Reich, Berlin would have started immediate military action to secure the oil fields. In such a case, Hitler would have expected to let his troops over Hungary. Teleki would have appreciated if he could avoid such a German request that may have caused severe international ravels to Budapest. He could see that the increased revision expectations swirled the country closer and closer to the Third Reich dominating the area.

<sup>&</sup>lt;sup>1</sup> Pelényi 1964, 173.

<sup>&</sup>lt;sup>2</sup> Borbándi 1966, 156–157.

<sup>&</sup>lt;sup>3</sup> Pelényi 1964, 174–175.; Gulyás 2008, 280–283.

<sup>&</sup>lt;sup>4</sup> MNL OL KÜM, K 106. Washington 1938–1941-1/b. 972/1939., 2560/1939.

<sup>&</sup>lt;sup>5</sup> Macartney 1961, I. 494., 519.; Nebelin 1989, 66.

<sup>&</sup>lt;sup>6</sup> Eckhardt 2008, 88.; Békés 2007, 176.; Borbándi 1966, 155.

He had no doubt that the more territories were re-annexed under German collaboration, the more Hungary would lose on its sovereignty.<sup>7</sup> Upon several occasions, Teleki made efforts to certify the Western states of the fact that Budapest made efforts to maintain peace in the region and tried to make it independent from German steps. However, Hungary had rightful territorial demands that it would not waive. However, Hungary was willing to enforce them under the approval of the West and by peaceful methods. Teleki wanted to get some sign or encouragement from the Western powers that in turn for his reserved behaviour towards Berlin and restraint of the region. In relation to this, however, favourable answer was received neither from London, nor from Washington.<sup>8</sup> John F. Montgomery American ambassador brought only the message that the United States would also take the standpoints of neutral countries not involved in the conflict take into consideration during the future peace treaties. While the British Ministry of Foreign Affairs notified György Barcza Hungarian ambassador in London that since Hungary quite probably would not be able to stead England during the war in questions of higher importance, therefore London did not want to take any liabilities for the sake of Hungarian interests either. The British diplomacy has been prepared to evacuate the embassy in Budapest.<sup>9</sup>

It served as a warning sign that on 24 February Hitler announced Central Europe to be German territory in one of his speeches, then later, at his negotiations with Sumner Welles American deputy minister of foreign affairs he stated that he demanded a German hegemony over the entire territory (including Hungary, too). When later answering the question Hungarian diplomacy asked in Berlin, it was explained that Hitler was talking only about an economic type of leading role in case of Hungary. On the same day, i.e. 24 February, in the British House of Commons, Neville Chamberlain prime minister took a stand for Czechoslovakia's restitution after the war. For the Hungarian protest, the reaction in London was that the statement of the head of government only referred to the recovery of the Czechoslovakian state's sovereignty, but did not provide any guarantee concerning its borders.<sup>10</sup>

The Hungarian government knew exactly, that in case the Western Powers also took part in formulating the destiny of Central and Eastern Europe, why it was inevitable to represent the Hungarian interests in West. During World War I, it was a serious mistake that only the Czech, Romanian, and Serbian emigrants had expressed their opinions publicly; nobody had outlined the Hungarian point of view in front of the Western political circles and the public. On 6 March, Teleki informed British diplomacy about Hungarian aspirations. The British reception was not hostile, but did not show much understanding. The Prime Minister, however, hoped for possibility of cooperation.<sup>11</sup>

On 6 March, Teleki instructed Lipót Baranyai, the president of the Hungarian National Bank (HNB) to make the Hungarian ambassador in Washington available USD 5 million that could be used upon necessity for the purposes of a hiding representation planned to be set up in the West. Baranyai held confidential negotiations on this issue with Royall Tyler, the manager of the American Embassy in Paris, who worked as a consultant of the Financial Committee of the League of Nations besides HNB in the 1930-ies. There were two options for allocating the money.<sup>12</sup> The first option was to open a current account under the Panama law, what could have been solved with the help of a lawyer friend of Tyler in Paris, while the other option was depositing cash and securities in a bank safe. The former solution required a much bigger administration; in addition, this deal could have been uncovered more easily. However, in the other case, Pelényi would have had much higher responsibility in handling the money. For the sake of fast implementation, for the time being, this amount was deposited in a safe registered for the name of the HNB, which was hired by Pelényi in Federal Reserve Bank in New York.<sup>13</sup> On 17 March,

The prime minister sent a confidential letter to Pelényi through his nephew, Andor Teleki, in which he informed him that the regent had approved the preparations to set up a Western Hungarian emigré representation. Although, according to Horthy there was no direct threat against the country, but he accepted that in a chaotic international situation preparations needed to be done for any case.

<sup>&</sup>lt;sup>7</sup> Barcza 1994, I. 445–449.

<sup>&</sup>lt;sup>8</sup> Bán 2004, 100–101.; Ablonczy 2006, 202–205.; Cornelius 2011, 81–83.

<sup>&</sup>lt;sup>9</sup> MNL OL KÜM, K 63. Pol. 1940-10/7-844.; TNA PRO FO 371. Vol. 24 430, C4249/2472/21.

<sup>&</sup>lt;sup>10</sup> MNL OL KÜM, K 64. Pol. Res. 1940-23-211.

<sup>&</sup>lt;sup>11</sup> TNA PRO FO 371. Vol. 24 427. C 3525/529/21.

<sup>&</sup>lt;sup>12</sup> Borbándi 1966, 157–158.

<sup>&</sup>lt;sup>13</sup> Pelényi 1964., 177.; Szegedy-Maszák 1996, I. 311.

The regent declared that he counted on Pelényi's collaboration and reassured that he would keep on being the ambassador in Washington upon the replacement of the government. Teleki ordered that the USD 5 million sums could be used for the purposes of the hiding organisation led by the regent or a person assigned by him. If the regent was pushed to leave the country and arrived in the United States, the whole amount should be immediately made available for him. If he immigrated in another Western country, actions must be taken according to his orders there.<sup>14</sup>

If the regent remains in Hungary, but would need to withdraw or get deprived of his position, get arrested, or dies, Pelényi would need to act immediately so that a puppet government rose into power as a result of German pressure or extreme right support could not get access to the money. Teleki authorised the ambassador that in case the independence of the country or the person of the regent was directly jeopardised, he could transfer the money into another account or safe without any orders coming from Budapest. Teleki, Baranyai or Gyula Károlyi would notify him when the dangerous situation had ceased. After that he should return the sum under HNB management.<sup>15</sup> In addition to the regent, as the potential leader of the emigré cabinet, it was Teleki and Gyula Károlyi who got access to the money, respectively and on their own. Raising money was allowed to Barcza ambassador in London, Sándor Khuen-Héderváry ambassador in Paris in the presence of Pelényi, and Baranyai, Bethlen and Ferenc Keresztes-Fischer, if two of them appeared in the bank for the money at the same time, or one of them appeared together with Tyler. Pelényi had to write a will declaring that this money was not owned by him upon his death, either Teleki personally, or through Tyler could dispose over it.<sup>16</sup>

The prime minister assigned Andor Teleki who constantly negotiated with Baranyai to deal with technical questions. Via his nephew, Teleki also sent word that he regarded it very important to enforce conspiracy aspects, so whatever it was not necessary to put down in writing, they should consult in words, via reliable mediators. By the prime minister's order, Pelényi handed over USD 100,000 to Andor Teleki, what was deposited in Switzerland to cover directly if the government leaves for abroad or incurs any other European costs. On 18 March, Teleki informed Barcza in a letter that if "a certain situation" occurred, he could turn to Pelényi for money.<sup>17</sup>

These weeks, Teleki got more and more afraid of a German military action against Romania, which would have entailed the Wehrmacht's transit over Hungary. On 29 March, Döme Sztójay ambassador in Berlin confirmed in his report that Germany would secure Romanian oil for itself by all means. If the Hungarian government rejected to let the German troops going over the country, Hitler would act against it by military forces. However, a German military action in Romania could have allowed for enforcing Hungarian demands concerning Transylvania, what highly influenced the behaviour of the Hungarian nationalist political forces. However, Teleki wanted to avoid that because of the English–French guarantees given to Romania the country unavoidably got into opposition with the Western powers.<sup>18</sup>

On 6 April, Teleki sent a message to Pelényi to inform him about the situation that arose in connection with Romania. He explained that regardless the government approved the German transit or rejected it, in both cases it needed to face serious consequences. It could easily happen that the government needed to withdraw. The head of the state, however, until it was possible, even at the expense of nominating a new cabinet that had a composition that suited more the German expectations should stay in position to ensure constitutional order and to maintain non-fighting status. Teleki requested information what kind of reactions might allowing German transit entail in American official circles and how the replacement of the government essentially done under pressure but within lawful frames and the regent's staying in position would affect the potential of setting up a Hungarian emigré representation in the West.<sup>19</sup>

Pelényi expressed that in case a new, pro-German regime was established without the regent's collaboration in Budapest, the ambassadors of the former government would be able to maintain their diplomacy status and fulfil the legitimate representation of an emigré government.

<sup>&</sup>lt;sup>14</sup> Borbándi 1966, 163–164.

<sup>&</sup>lt;sup>15</sup> Szegedy-Maszák 1996, I. 311.

<sup>&</sup>lt;sup>16</sup> Borbándi 1966, 163–164.

<sup>&</sup>lt;sup>17</sup> Fenyő 1972, 110.; Pelényi 1964, 177.

<sup>&</sup>lt;sup>18</sup> Hillgruber 1954, 70–71.; Dombrády 2005, 70.; Ciano 1999, 199.

<sup>&</sup>lt;sup>19</sup> MNL OL KÜM, K 64. Pol. Res. sz. n. 6 April, 1940.; Ablonczy 2006, 226–227.

If, the regent stayed in position and legalised the new administration - even if only for the sake of slowing down extreme tendencies via maintaining his office – the activity of the new government might compromise the regent himself and also the diplomats working in the foreign representation offices. In such a case, the ambassadors would be able to preserve their personal credit only by way of withdrawal and support the activity of the established emigré representation as private persons.<sup>20</sup> Pelényi urged that the government should send an emigration agent who had proper reputation in the dominant foreign Hungarian circles and who was appropriately accepted by the Anglo-Saxon diplomacy, too, to the West, as soon as possible. He could co-ordinate the activity of the Hungarian immigrated representations in the West, avoiding rivalry among the groups. He would prepare the space for the government to leave for the West and to start the operation of an official representative body to be established abroad. With appropriate authorisation, he could supply Hungarian diplomats working abroad with confidential instructions that could not be issued officially by local government in front of the Germans' attentive eves.<sup>21</sup> However, due to the changing international circumstances and the German military successes achieved in the West, the regent did not regard the situation suitable to delegate a foreign agent having a wide range of authorisation to the West. On 7 May, the regent told Montgomery ambassador that there is no real chance to resist the Germans successfully, i.e. to reject the transit request. It was clear for him that the Germans would not leave the places where they once gain a foothold, but he hoped to keep German presence in Hungary within limits.<sup>22</sup> Teleki were still expecting how things turn out, hoping that the Western powers in return to the rejection of German requests would show higher understanding towards Hungarian territorial demands and would provide some kind of a security that they would support the enforcement of Hungarian aspects in the course of after-war re-arrangement. On 17 May, after the German attack of France, the British diplomacy sent a message to Budapest that in case the current government or a new Hungarian government denominated by Horthy left for abroad because of the German pressure, from that on, Great-Britain would regard that's legitimate representing body.<sup>23</sup> However, in connection with the emigré government's after-war status or the acknowledgement of the Hungarian territorial demands, there were neither promises, nor encouragements. Teleki, who originally trusted in the victory of the Western powers, was overwhelmed by the German military successes. By the middle of May, he also rejected the chance of openly denying the German requests and he rather made only efforts to mitigate them. With this, the establishment of a Hungarian emigré government or official representative body in the West lost its topicality.<sup>24</sup>

On 21 May, he told Pelényi that the establishment of an emigré cabinet or the delegation of a foreign agent was not timely for the time being; it must be postponed. On 25 May, Baranyai sent a telegraph order to Pelényi to transfer back to the HNB's account all the amounts made available for the purposes of the emigré governments earlier. This was done by the ambassador immediately. At the same time, he informed the prime minister that a potentially active support of the axis powers would entail definite disapproval on behalf of America. In such a situation, Pelényi would withdraw immediately, but naturally, as a private person, he would remain available for Teleki in order to represent the real interests of the country. In his reply message, the prime minister held with Pelényi's standpoint.<sup>25</sup>

#### Instead of confrontation, cooperation with the Germans – the "lesser evil"

On 20 November, 1940, Hungary joined the Tripartite Pact, what significantly spoilt the country's Western evaluation. After joining the Pact, Pelényi withdrew from his ambassador position and left foreign service. In his letter sent to Teleki on 28 November, he again warned that although the American diplomacy showed certain understanding towards Hungary's case of necessity, but it concluded that the Hungarian government got into opposition with the official policy of the USA. The American public opinion was even more rejective towards the axis states.<sup>26</sup> During these weeks, several events happened that again made it topical to establish a potential Hungarian emigré representation. On 11 November, the British government acknowledged in a record the Czechoslovakian temporary government operating in London.

<sup>&</sup>lt;sup>20</sup> Pelényi 1964, 177–178.

<sup>&</sup>lt;sup>21</sup> Borbándi 1966, 164–165.

<sup>&</sup>lt;sup>22</sup> Frank 2002, 279–280., Bán 1998, 89.; L. Nagy 1990, 187.

<sup>&</sup>lt;sup>23</sup> Szegedy-Maszák 1996, I. 310.

<sup>&</sup>lt;sup>24</sup> Ullein-Reviczky 1993, 52–53.; Olasz 2007, 85.

<sup>&</sup>lt;sup>25</sup> Pelényi 1964, 171.; Borbándi 1966, 157–158., 166–167.

<sup>&</sup>lt;sup>26</sup> MNL OL KÜM, K 63. Pol. 1940-10/7-6702., 1940-10/7-6974.

This announcement was interpreted by Beneš in his various declarations in a way that this represented the restoration of Czechoslovakia before the war. As an answer to the Hungarian ambassador's protestation, on behalf of Great-Britain it was announced again that it exclusively meant securing the sovereignty of Czechoslovakia, but London did not assume any guarantee concerning the state's area or future borders. Barcza was also told, however, that the British government did not recognise any earlier treaties concerning the region's rearrangement, including the First Vienna Award; they did not bind England to anything. Earlier, London had no objections to Vienna Award.<sup>27</sup>

Teleki also got information about preparations for a German attack against the Soviet Union. From this, the head of government expected the two aggressive powers' mutual weakening and the increase of the impact of the Anglo-Saxon states. On the other hand, however, a German–Soviet war might also represent a substantial threat, since due to the country's geographic location it seemed to be possible that it became the destination of a German mobilisation and it could also become the target of a potential Soviet counterattack. For the sake of avoiding conflicts, Teleki even considered the option of signing a Hungarian–Soviet non-aggression agreement, of which, however, both the regent and most of the political forces made no warranties.<sup>28</sup>

In the meantime, Germany announced that starting from the end of December it intended to implement large scale troop transfers through Hungarian territories, towards Romania. The Hungarian government made efforts to set up limitations for the German military presence and hinder that in addition to the transfer, the Wehrmacht could have any other activity. The troop transfer, however, even in this way entailed serious international attention and unfavourable diplomacy reactions. This case was a newer indication that Hungary got closer and closer to the participation in the war at the side of the axis, and even if it preserved its non-fighting status, it might become part of armed fighting.<sup>29</sup>

On 18 December, as preparation for setting up an emigré representation, Teleki informed the new ambassador in Washington, György Ghika that an employee of the HNB, Antal Radvánszky accompanied by Royall Tyler would travel soon to the United States. Preliminarily, the head of government only told Ghika that Radvánszky had good contacts in influential American circles. He was assigned to perform "particular financial tasks", and to discover new economic opportunities, but he was about to get a role in certain cultural and propaganda activities, too.<sup>30</sup>

However, a change in the person of the ambassador caused a visible confusion in the plans focusing on the establishment of an emigré representation. Earlier, Ghika was not involved in these ideas, and he did not receive detailed information this time either. He was only promised to receive it after Radvánszky's arrival. In the lack of an appropriately built personal system of relationships, for the time being, he could not or did not want to undertake to start the preparatory work immediately. He did not know Radvánszky personally, and quite probably, he found Pelényi's potential further role unclarified in this issue. That is why he answered Teleki that he did not regard Radvánszky's mission topical at present. Consequently, the trip was postponed.<sup>31</sup>

At the end of December and the beginning of January, Teleki had longer discussions with the regent even two times about how the foreign political situation was changing. He raised the option that Germany processed against Yugoslavia, when Berlin could not only claim transit for its troops, but also the provision of Hungarian bases, and what was more: active Hungarian military collaboration. This is unacceptable, but if the government rejected it, it might go together with German occupation. That was why, for the sake of preserving the state independent, concrete steps needed to be taken as soon as possible in order to set up an emigré government in the West.<sup>32</sup>

The ideas raised in spring 1940 still focused rather on displaying general Hungarian interests by creating rather a less formal emigré representation and not necessarily a government fleeing to the West. They wanted to set up its centre in the neutral United States. Their activity could have been led even by Hungarian diplomats working in lower posts in case the regent or the nominated head of government stayed at home. However, simultaneously with the changing of the international situation, by 1941 the plans also got modified. It was important for the government to be close to the events and to stand by the anti-German forces. The centre of the emigré activity shifted to England. It already required close co-operation with a fighting party.

<sup>&</sup>lt;sup>27</sup> MNL OL KÜM, K 63. Pol. 473. Szent-Iványi 471–473., 478–479.

<sup>&</sup>lt;sup>28</sup> Macartney 1961, I. 597.

<sup>&</sup>lt;sup>29</sup> MNL OL KÜM, K 63. Pol. 1941-21/7-117., 1941-21/7-168., 1941-21/7-435.

<sup>&</sup>lt;sup>30</sup> MNL OL KÜM, K 63. Pol. 1940-10/7-7217.

<sup>&</sup>lt;sup>31</sup> MNL OL KÜM, K 63. Pol. 1941-10/7-1627.

<sup>&</sup>lt;sup>32</sup> TNA PRO FO 371. Vol. 26 602, C 3562/529/21.; Sakmyster 2001, 236.

During the negotiations, more and more, the establishment of a regular emigré government was outlined, to the head of which they already intended to grant not only the role of a mediator, but also actual political activity, with independent decision making competences, while hoping that the person embodying him could at the same time ensure political continuity after the war.<sup>33</sup>

The details related to the setting up of the government were clarified at the discussions held in the presence of Horthy, Teleki, Bethlen, Eckhardt and Kálmán Kánya former Minister of Foreign Affairs. Accordingly, if the Germans announced claims that seriously infringed the country's sovereignty, and upon their rejection military occupation or the raising of the extreme right wing to the power could be expected, Teleki would withdraw. Horthy would nominate a new cabinet that leaves for England (or perhaps partially it would be founded there) as Hungary's legitimate government. According to the plans, István Bethlen would have been the head of government, next to him Barcza was intended to be the minister of foreign affairs. Simultaneously with this, Tibor Eckhardt would have travelled to the United States as the regent's personal agent, he would have taken over the management of the Hungarian emigré government in America and he would have represented there the Bethlen government's policy. The regent decided to stay at home, but reject all cooperation with the occupants or the puppet government created by them.<sup>34</sup>

In some minor questions, however, they could not reach agreement. Horthy would have insisted on a scenario where upon the occurrence of an actual dangerous situation the nomination of the new government, but at least that of the prime minister should take place in Hungary; who would only go abroad after that. He would have regarded it important partly because of constitutional aspects and partly for the sake of avoiding the blame of dual political games. At the same time, he continuously wanted to maintain the decision for himself, when he saw that the moment had arrived for that. However, Teleki from his considerations would have kept it better if the appointed politicians had left the country already in time, before the occurrence of the crisis situation, with a blank authorisation in their pockets, which could enter into effect via a short message from the regent.<sup>35</sup>

Teleki informed Owen O'Malley English ambassador about the plans, who was also personally received by the regent on 26 January. The ambassador mentioned Horthy that upon German occupation, he should shift his seat – covered by reliable troops – to Szeged and if it was necessary, he should also leave the country towards Yugoslavia. The regent, however, rejected this option. O'Malley got the impression that although Horthy was undeniably a brave man, but as a head of state, in a beset situation, he would allow more to the Germans than he had decided at present.<sup>36</sup>

In British political circles, the plans related to setting up the Hungarian emigré government were accepted with moderate interest. Naturally, they encouraged such steps and stated they were willing to acknowledge this government as Hungary's lawful representation. They told that Bethlen might have the chance to get immigration visa approved and in theory also accepted O'Malley's recommendation that if Bethlen as an appointed new prime minister was to travel to London, he would join him and function as an ambassador for the emigré government.<sup>37</sup>

On the other hand, however, despite O'Malley's recommendations, they did not make any concrete promise to appreciate the Hungarian territorial endeavours. The government declaration of 5 September, 1940 which disapproved the 2<sup>nd</sup> Vienna Award remained in effect. On 22 January, the new minister of foreign affairs, Anthony Eden stated that he intended to avoid any and all official communications in connection with the Hungarian territorial demands that could be regarded as hidden promise and later could serve as a base line. The English government did not commit itself either that it would recognise the emigré government to be set up even for the period after the war as the legitimate leaders of Hungary.<sup>38</sup>

On 3 February, Teleki and Baranyai held negotiations about providing financial coverage required to operate the emigré government. They agreed that similarly to that of the previous year, they would provide cash available again for the embassy in Washington, because it is possible to move it quickly and with relatively little fuss. Opening an account and making a bank transfer were too complicated, and could be easily uncovered.

<sup>&</sup>lt;sup>33</sup> Barcza, 1994. I. 499.

<sup>&</sup>lt;sup>34</sup> TNA PRO FO 371. Vol. 26 603, C 387/123/21.; Sakmyster 2001, 236–237.

<sup>&</sup>lt;sup>35</sup> Barcza 1994, I. 499–500.

<sup>&</sup>lt;sup>36</sup> Sakmyster 2001, 236–237.; Juhász 1978, 24.

<sup>&</sup>lt;sup>37</sup> Romsics 1999, 409.; Macartney 1961, I. 468–469.; Czettler 1997, 246–247.

<sup>&</sup>lt;sup>38</sup> TNA PRO FO 371. Vol. 26 603, C 387/123/21.; Romsics 1996, 109.

Horthy, Teleki or Baranyai may get the key from Ghika to the bank safe that kept the money.<sup>39</sup> On 7 February, Eden officially announced that although England understood Hungary's difficult situation, but the relations of the two countries were highly influenced by joining the Tripartite Pact. He emphasised that London made an essential difference between voluntary or forced (accompanied by public protestation) collaboration with the enemy. He made a reference that the British government endeavoured to achieve fair and long-lasting peace after the war, but London would need to take into account primarily its own allies' interests. There was another warning sign, namely that on 12 February London terminated its diplomatic relationship with Bucharest. They stated that due to the fact that the Germans were called in, they would handle Romania in the future as enemy. Thus British bombing could be expected at Romanian territories. This could happen in the cases of each country where the Germans permanently settle in.<sup>40</sup>

On 10 February, Teleki instructed Baranyai to act immediately so that the money allocated for the purposes of the emigré government could get to the ambassador in Washington as soon as possible. Ghika deposited the amount in a bank safe in accordance with the former decision. The instruction concerning its utilisation changed only in a way that in addition to the already denominated three politicians, a person having the regent's written authorisation, who would be appointed later (quite probably the head of the emigré government) also became authorised for raising the fund.<sup>41</sup>

Eckhardt's American trip became due at the beginning of March. The regent received the politician before he departed. The regent explained him that he did not regard the situation so dangerous because Hungary's stability was more important even for Hitler than jeopardizing it by an occupation, because Hungary supplied food and raw materials for him. He was also willing to collaborate with the Germans to a certain extent, but by all means he wished to preserve internal order, wanted to keep the country out of the war and wanted to maintain the country's accepted status in the Western world. Although the regent regarded Eckhardt's departure early, but he did not try to talk him out of his plan.<sup>42</sup>

Teleki, however, urged the politician's departure. He told him that later he would send him a more detailed confidential material about the country's situation, and endeavours that he would be able to utilise during his discussions abroad. He reassured him that the government would allocate him enough money for covering his costs. Eckhardt had also negotiations with Bethlen and they agreed in regular exchange of information. Both of them envisioned that Hitler would soon turn against Yugoslavia and Greece and then Hungary would unavoidably get into the way of the German aggression. Bethlen declared that for the time being he would not travel because of the great political pressure put on the regent and the uncertain reception abroad. He would rather be of help in Hungary for Horthy and Teleki.<sup>43</sup> There was a serious threat, that the German agents had already been watching Eckhardt's travel preparations for weeks and tried to confuse or delay him by diplomatic way or other tools. Finally, the politician started out on 7 March, but he arrived in the USA after a longer bypass, only in August, already in a totally different political situation, after Hungary entered the war.<sup>44</sup>

On 11 March, the ministry of foreign affairs notified the ambassador in Washington again that Radvánszky would be sent to America. At that time, Ghika also supported the trip, especially because in the meantime the Hungarian circles abroad, and certain American factors also indicated him that Radvánszky's arrival was welcome. In contrast to the British position, the US showed a greater understanding of the Hungarian political aspirations. Washington did not support the Hungarian revision but admitted that after the war in new general settlement the just claims of Hungary for fair treatment of her minorities and for the readjustment of her frontier must be taken into account.<sup>45</sup> On 12 March, Teleki made one more attempt to make British diplomacy understand the country's complex situation and to achieve more reasonable assessment. In his message, he tried to make it clear that Hungary had to adopt a moderate axis friendly policy in order to protect its sovereignty, but these kinds of measures and declarations were only introduced as a result of external pressure.

<sup>&</sup>lt;sup>39</sup> Macartney 1961, I. 468–470.

<sup>&</sup>lt;sup>40</sup> MNL OL KÜM K 63. Pol. 473. Szent-Iványi, 485–488., MNL OL KÜM, K 64. Pol. Res. 1941-2-960.

<sup>&</sup>lt;sup>41</sup> MNL OL KÜM, K 106. Washington 1938–1941-1/b. sz.n. 5 March, 1941.

<sup>&</sup>lt;sup>42</sup> Kádár Lynn 2006, 66–67.; Hory 1987, 374.; Vardy 1985, 111.

<sup>&</sup>lt;sup>43</sup> Eckhardt 2008, 109–111.; Olasz 2007, 85.

<sup>&</sup>lt;sup>44</sup> MNL OL KÜM, K 63. Pol. 1941-21/7-903.; Kádár Lynn 2006, 66–67.; Eckhardt 2008, 113.

<sup>&</sup>lt;sup>45</sup> MNL OL KÜM, K 63. Pol. 1941-10/7-1627.; Welles 1945, 139.

In his reply, Eden declared that he did not doubt Teleki's good intents, but the country might need to face serious consequences, if it allowed German troops marching over the country against one of the allies of England or if it joined itself such an attack.<sup>46</sup>

István Bethlen was regarded even in Great Britain as a fluent person. The British government did not promise, however, that it would recognise the emigré government headed by Bethlen in the same way as the Czechoslovakian one. At that time, Teleki already counted with the option that diplomatic relationships may also break up with England. On 12 March, in his letter written to Barcza he raised that in such a case the ambassador could remain in London as a private person. Barcza waited until the beginning of April whether Bethlen would still arrive in England and a Hungarian emigré government could perhaps be established. At that time, however, it did not have any reality.<sup>47</sup>

On 27 March, in Yugoslavia, the army unseated the government collaborating with Germany. Hitler immediately ordered the attack of Yugoslavia and requested the Hungarian leadership to let the German troops adjourn over its territory and to take part in the invasion. The Hungarian government did not risk openly rejecting the German claim and letting the German forces pass over. This was the failure of Teleki's policy. Teleki was suicide in protest against German pressure. The Hungarian troops only crossed the border one week after the German attack and recaptured the Hungarian-inhabited areas annexed to Yugoslavia after World War I without any serious fights. Due to the collaboration, Great Britain broke off diplomatic relations with Budapest. Although no declaration of war was issued, Hungary did not become a participant of the war, but it committed itself for Germany by its collaboration in the attack against Yugoslavia. With this, the opportunity of setting up a Hungarian emigré government acknowledged by the Western powers got lost once and for all.<sup>48</sup>

## Conclusion

In 1941, an increasingly stronger and stronger German influence prevailed in Hungary. The Hungarian political leaders did not assume to reject Hitler's claims. Horthy and the surrounding people drew the conclusion from the internal disorder after World War I, and the disintegration of the country at that time that he needed to preserve control in any way, even at the cost of making co-operation with Berlin even closer. Thus, neither the members of the government, nor any other respectful politician retired into exile in order to represent the Hungarian state abroad in case of a confrontation with Hitler. Until the summer of 1940, Regent Horthy and the people surrounding him, as well as the dominant groups of the political elite tried to obtain support from Great Britain or at least its understanding towards the Hungarian endeavours; however they got no encouragement from London. Giving way to the increasingly more forceful German pressure, Horthy and the government chose topically the solution that looked like the "lesser evil". They did not risk a potential occupation and did not turn openly against Germany. With this, the idea of setting up a Hungarian emigré government or official representation in the West got tabled once and for all.

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<sup>&</sup>lt;sup>46</sup> MNL OL KÜM K 64. Res. Pol. 1941-2-100.; Barcza 1994, I. 484–488.; L. Nagy 1990, 188.

<sup>&</sup>lt;sup>47</sup> MNL OL KÜM, K 63. Pol. 1941-10/7-2272.; Barcza 1994, I. 499.

<sup>&</sup>lt;sup>48</sup> Czettler 1997, 246–247.; Cadogan 1971, 369-370.; Horthy 2011, 251–253.

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