

Nicholas Roosevelt in Hungary, 1930–1933: Expectations and illusions

Zoltán Peterecz*

Eszterházy Károly College, Eger, Hungary

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ABSTRACT

Although a score of new studies have been published about the various aspects of the history of American–Hungarian relations in the past three decades, there are still a considerable number of uncovered chapters. The present article will introduce one of the American ministers who served in Hungary in the interwar years. Nicholas Roosevelt came from a well-known family that gave two presidents to the United States in the first half of the twentieth century, and the name helped him throughout his storied career. Since he had visited Hungary at the time of the establishment of the Hungarian Soviet Republic in March 1919, he had first-hand experience regarding his host country. His service as American minister (1930–1933) fell in the first years of the unfolding Great Depression, which defined the basic conditions for Hungary, as well for the United States and Europe. Nicholas Roosevelt was an avid writer, and he left behind a plethora of both private and official documents containing, among other things, his thoughts and opinions about Hungary and Hungarians. Building this as a primary source, along with a number of secondary sources, the article will bring closer the economically and politically shaky days of Hungary in the early 1930s through the eyes of the American minister posted in Budapest, thereby enriching our knowledge about the relations between the two countries.

KEYWORDS

Nicholas Roosevelt, American–Hungarian relations, Great Depression, 1930s

* Corresponding author. E-mail: zpeterecz@yahoo.com

INTRODUCTION

With the end of World War I Hungary became a sovereign state. After the revolution and counterrevolution, political consolidation was finally established with the commencement of the Horthy era in 1920. In the wake of the Treaty of Trianon, which the Hungarians collectively saw as a devastating dictate, the nation's main desire was to regain the lost territories. Next to the acute question of financial rehabilitation, which finally took place under the aegis of the League of Nations in 1924, the most important political question was some sort of revision of that treaty. Given the weak state of the country both from economic and military aspects, it was clear that without outside help such far-going changes of the borders would not be possible to achieve. Surrounded by inimical countries in the shape of the Little Entente, an alliance of neighboring Czechoslovakia, Romania, and Yugoslavia to keep Hungary in check, Hungary naturally tried to find supporters farther afield. The only unbiased country with enormous economic power and high prestige all across Europe was the United States. Therefore Hungary, like most countries in Europe, turned toward the United States and hoped for a helping hand with the economy, trade, finances, and treaty revision. This last point was totally unrealistic, and Washington never gave any sign that could have been interpreted as promising help; still, Hungarians collectively wanted to believe that they could count on America in this as well in other issues. This illusion and the circumstances in the Interwar years created a situation in which Americans, either in their official or their unofficial capacity, were looked on in Hungary as potential saviors. The American ministers sent to serve in Budapest were no exceptions. When the Great Depression started to take shape from 1930 onwards, these hoped-for connections to the United States became even more crucial. And since the person acting in that capacity was known to many Hungarians and his family name lent him an aura of fame, Hungary attached high hopes to Nicholas Roosevelt's stay in Hungary.

The following article introduces Nicholas Roosevelt and his tenure as minister to Hungary in the early 1930s, just as the Great Depression unfolded. Relying heavily on primary sources, the present study reveals, first and foremost, how Roosevelt related to his host country, its leading politicians, and the people living in it, for which his private papers provide ample material. In addition, it will also be shown how Nicholas Roosevelt perceived his own status and further possibilities as an aspiring young public servant with a "door-opening" family name.

SHORT BIOGRAPHY OF NICHOLAS ROOSEVELT

Nicholas Roosevelt was born in New York City in 1893 into one of the most prominent and outstanding families in the United States. The Roosevelt dynasty went back to the early colonial times, and had managed to amass considerable wealth over the centuries. The Roosevelts had two main branches: the Hyde Park branch and the Long Island branch, Nicholas Roosevelt belonging to the latter. His father was the cousin of later President Theodore Roosevelt who, after the premature death of James Roosevelt, largely brought up the young Nicholas. This is how Nicholas Roosevelt learned progressive conservatism first hand, and this approach defined his political outlook for the rest of his life. He graduated from Harvard and during World War I he first worked as attaché at the American Embassy at Paris for sixteen months, to go later to work in Spain as secretary to the American International Corporation, which commissions provided him with invaluable insight into diplomacy and European affairs. He was also



a member of the large American delegation at the Paris Peace Conference and traveled to Central Europe with the Coolidge Mission. In this capacity he witnessed the establishment of the Hungarian Soviet Republic in March 1919. After the Peace Conference he worked as a journalist for the *New York Herald Tribune* and the *New York Times*, and occasionally also contributed pieces to other outlets such as *Foreign Affairs*, the prestigious magazine of the Council on Foreign Relations of which he was a member. From 1926 he regularly wrote books, mainly on questions of foreign policy. President Herbert Hoover nominated him to the position of Vice Governor of the Philippines, but partly because of the backlash regarding an earlier book Nicholas Roosevelt had written on that country, Hoover had to withdraw the nomination.¹ That is how he became minister to Hungary in the fall of 1930 and spent the next two and a half years in Hungary. When his distant cousin, Franklin Delano Roosevelt, won the presidency in 1932, Nicholas Roosevelt resigned, following the long-held tradition of political appointees. He did not have a very good opinion about FDR and his New Deal, which he clearly outlined in various articles in the 1930s and in his 1953 memoir, *A Front Row Seat*.² During World War II he served a period of eight months in the Office of War Information, the government's propaganda wing. In 1946 he retired and lived in California with his wife, Tirzah Gates. The couple had no children. Nicholas Roosevelt devoted the remaining time of his long life to writing about various topics, including his above mentioned memoir, culinary activity, or natural conservation. He died in 1982.

NICHOLAS ROOSEVELT'S FIRST STAY IN HUNGARY IN 1919

It is worth summarizing Nicholas Roosevelt's exposure to Hungary and Hungarian affairs in 1919, because what he experienced at that time was to determine his view on Hungary to a large extent. As a member of the Coolidge Mission with its headquarters in Vienna, Nicholas Roosevelt visited Hungary twice and was witness to the fateful delivery of the notorious Vix Note on March 20th.³ This note by the Allies, handed to Mihály Károlyi, president of the Hungarian Democratic Republic, demanded that Hungarian troops withdraw deep into Hungarian territory and foreshadowed the huge territorial losses sanctified in the Trianon Treaty the following year. The Károlyi government decided that it could not accept such a demand on the part of the Allies and instead chose to resign, opening the way for a communist takeover that took place the very next day.⁴ Nicholas Roosevelt's vivid account of the events and the personalities involved has preserved the remarkable atmosphere of those days. He found, for instance, president Mihály Károlyi "very tired—tired physically and mentally. He looked gray, and his face was drawn, and he spoke slowly and without much interest," and after the delivery of the

¹The book in question was Roosevelt (1926).

²Roosevelt (1953).

³For the history of the Coolidge Mission see, Coolidge and Lord (1932), pp. 192–216; Foreign Relations of the United States (1947), pp. 240–527; Pastor (1976), pp. 100–104.

⁴On the Károlyi era and the reasons and events leading up to the Bolshevik takeover in March 1919, see, Pastor (1976). For an English language summary on the events in Hungary in the spring and summer of 1919, see, Hajdú (1979). For Károlyi's summary of the fateful ultimatum handed over by Vix and the communist takeover see Karolyi (1956), pp. 152–157.



Vix Note Roosevelt also informed Vienna that the next day there would be “pandemonium.”⁵ He chose to leave the country following the communist takeover, and he proceeded to Paris to report in person to the American leaders about the events he had just experienced in Budapest. In his report he formulated a thesis according to which the Bolshevik revolution in Hungary was nationalist in origin rather than fueled by ideology, and it served as a unifying force aiming to avoid the dismemberment of the country and to preserve its territorial integrity. He concluded by saying that “unless immediate and vigorous action is taken, the Allies will be met with a disastrous state of affairs in Central Europe which it may take years to straighten out. Hungary has defied the Peace Conference and allied herself with the Bolsheviks. It is Germany’s turn next.”⁶ All in all, he left Hungary with a predominantly negative attitude about the country.

NICHOLAS ROOSEVELT’S APPOINTMENT TO HUNGARY

After returning to the United States and spending about a decade in journalism, toward the end of the 1920s Nicholas Roosevelt gravitated quite close to the Republican political leadership. He knew the president, Herbert Hoover, from his Paris days, and was in correspondence with Henry Stimson, who held the post of secretary of state in the Hoover cabinet. Partly thanks to these connections, partly to his books on the Far East and one volume on the Philippines in particular, Hoover appointed Nicholas Roosevelt Vice General-Governor of the archipelago in the summer of 1930.⁷ However, his book on the Philippines a few years earlier had encountered such a backlash among many Filipinos involved in the independence movement that politically it would have been very costly to send Roosevelt to Manila. Accordingly, an elegant solution was soon found. On September 24 he resigned his Vice Governorship, “believing that my services can be more useful elsewhere.”⁸ On the very day of his resignation, which the president accepted reluctantly, he was appointed minister to Hungary by Hoover.⁹ Obviously, this was a deal worked out within the State Department in the political heat of the interim period, with the president’s knowledge and approval. The current American minister in Hungary, Joshua Butler Wright, was sent to Uruguay, and since Wright had already spent more than three years at Budapest, the transfer could be justified as falling under the nascent Rogers Act’s requirements that created a system where the various diplomats were to rotate after three years’ work in one place. This is how Nicholas Roosevelt returned to Hungary as U.S. minister.

NICHOLAS ROOSEVELT ARRIVES IN HUNGARY

When Nicholas Roosevelt returned to Europe in the fall of 1930, the times were already burdened with the unfolding economic and financial depression. Although it had not reached

⁵Roosevelt, *A History of a Few Weeks* (unpublished manuscript), Box 61, [Nicholas Roosevelt Papers](#), 278, 314.

⁶Enclosure, “The Hungarian Revolution,” in Robert Lansing to Woodrow Wilson, Paris, March 27, 1919, in [Link \(1987\)](#), vol. 56, p. 334.

⁷For the appointment, see, [Hoover \(1976\)](#), p. 304.

⁸For the full text of the letter of resignation see [Hoover \(1976\)](#), pp. 379–380. The quote is from p. 379.

⁹*Ibid.*, p. 379.



its ugly peak yet, it was already clear that countries that had relied to a large degree on foreign loans to finance their own economy and the gaping holes in their budgets could suddenly find no more money on the international markets. Hungary was a perfect example of such a country. The situation was even more serious here than in other Central, Eastern, and Southern European countries, because this largely agricultural country could count on little more than the revenues from selling wheat on the international market. If the harvest was weak or the markets offered low prices, the Hungarian state was in trouble. Another problem was debts. After the successful League of Nations reconstruction program (1924–26), despite warnings to the contrary, Hungary kept picking up fresh loans and became more and more indebted.¹⁰ In addition to overborrowing, the Hungarian population had one of the biggest per capita foreign debt services in all of Europe.¹¹ Obviously, the gathering storm hit Hungary really hard. This was the country that Nicholas Roosevelt arrived in as American minister with the official title of Envoy Extraordinary and Minister Plenipotentiary.

The United States, despite high expectations to the contrary, showed little interest in the countries of Central Europe, Hungary included—with the conspicuous exception of Germany. As long as there was political stability, and prime minister Bethlen provided exactly that, Washington was satisfied with the regular reports of the ministers providing information on the most crucial domestic and foreign policy issues. These reports rarely reached the threshold of serious interest in the State Department. The American loans flowing to Hungary in the second half of the 1920s were private loans for which the U.S. government never assumed any responsibility. Although Budapest did not count as an eminent diplomatic post, it was nevertheless an interesting looking one, and since the financial and economic troubles seemed to engulf more and more countries in the region, it made sense that the Department asked Roosevelt to focus on such issues both in Hungary and in the neighboring countries.

Hungary had courted the former American ministers as well, Theodore Brentano and Joshua Butler Wright, and almost no Hungarians could be convinced that since the end of the war the United States had neither taken any responsibility for the region, nor did it wish to lobby or fight for detached Hungarian minorities. There were few larger mirages in Hungary in the first half of the twentieth century than the general belief that America would come to Hungary's help. So, when Nicholas Roosevelt was named the latest minister, Hungarians turned to him as a positive possibility and the embodiment of the imagined American help—a grave illusion. In addition, his family name made him even more familiar, and since Theodore Roosevelt received a hero's welcome in Budapest in 1910, a close family relation—in an official capacity—could count on a similar warm reception.¹² Some journalists insisted that good things were in store for the relationships between the two countries, partly because Nicholas Roosevelt was a good and well-known journalist, which would automatically mean greater publicity for Hungary. Supposedly, the freshly appointed minister even said to one of the Hungarian dailies that he was going to use American newspapers for the benefit of Hungary.¹³ The bar was raised even higher when

¹⁰For the history of the financial reconstruction of Hungary see [League of Nations \(1926\)](#); [Ormos \(1964\)](#); [Péteri \(2002\)](#); [Lojkó \(2006\)](#), pp. 81–126; [Peterecz \(2013\)](#) pp. 118–204.

¹¹[League of Nations \(1944\)](#), p. 150.

¹²On Theodore Roosevelt's visit to Hungary in 1910, see, [Peterecz \(2014\)](#), pp. 235–254.

¹³[8 Órai Ujság](#), September 28, 1930, p. 2; [Az Est](#), October 12, 1930, p. 1.



he was quoted as saying that “among the many East European races I see the Hungarian as the most valuable and outstanding.”¹⁴ No wonder the paper believed that “the service of America’s new minister gives the highest hopes to Hungary.”¹⁵ These Hungarian newspaper contents reflect clearly the above mentioned fact that many Hungarians lived, or wanted to live, in a make-believe world in which they could count on Americans and the United States to achieve their own goals.

Nicholas Roosevelt published his memoirs in 1953, but that book is not always reliable regarding the events of some twenty years earlier.¹⁶ There is nothing utterly false in the chapters that N. Roosevelt later wrote on Hungary; the fact, however, remains that at the time of his stay in Hungary some of his thoughts were different. Therefore one must treat his official memoirs carefully and instead rely more on his diary notes, letters, and reports of those days that more truthfully reflect his ideas on various issues. One opinion though that remained constant throughout his life was the conviction that he found old feudalistic traits deeply imbedded in Hungarian society. “Here the Occident ended and the Orient began,” he wrote, and “Budapest was the meeting place of two civilizations.” He found that the capital was “outwardly modern and western. But the plains to the East sheltered a strange mixture of feudalism and the Orient—a people youthful and somewhat primitive, but bred in traditions that are alien to Western Europe.”¹⁷ Incidentally, this was an observation many of his compatriots shared.

Nicholas Roosevelt arrived in Hungary on November 9, 1930. Although he was a political appointee, he had some experience in the diplomatic world during and after World War I. Also, he spoke fluent French and German, which meant that he did not have to rely on others when discussing issues with Hungarians or other diplomats. As a result, he was not considered a total outsider by the official staff at the American Legation in Budapest. The successive secretaries of the Legation, Somerville Pinkney Tuck, Rudolph E. Schoenfeld, and David Williamson, respectively, after some transition time accepted Roosevelt and cultivated a very good working relationship with him. In addition, he was helped by his personal secretary, Edward LaFarge, who had travelled together with Roosevelt from the United States.¹⁸ Consequently, he could reassure his predecessor that he “found everything in excellent order, and everybody in the Legation most helpful in the process of educating me and transforming me from a newspaper man into a so-called diplomat.”¹⁹ In the first weeks he acquainted himself with the most important people in Budapest and called on every major player: ministers of commerce and finance, people in the Foreign Office, and leading journalists.

The first and foremost person to meet, however, was naturally Miklós Horthy, the Regent. He gave over his letter of credence to Horthy on November 12, and thus gained his first impression of the Regent, which many more followed. Both in his unpublished notes about his Hungarian stay and in his published memoirs he wrote in detail about the ceremony of presenting the credentials. He, as many other Americans, however backward or feudal they may

¹⁴*Pesti Hírlap*, October 12, 1930, p. 34.

¹⁵*Ibid.*

¹⁶Roosevelt (1953).

¹⁷“Hungary,” Box 45, *Nicholas Roosevelt Papers*. For the same views in his memoirs, see, Roosevelt (1953) pp.189, 190.

¹⁸“Hungary,” Box 45, *Nicholas Roosevelt Papers*; Roosevelt (1953), pp. 190–191.

¹⁹Nicholas Roosevelt to Butler Wright, November 13, 1930, Box 16, *Nicholas Roosevelt Papers*.



have found this region and its peoples, was fairly fascinated with the old traditions and uniforms that were so alien and charming at the same time. At their very first meeting Horthy brought up two topics right away: his fondness for the United States and Americans who had helped Hungary in the past years, and hunting, his greatest passion. Later his fervent anti-communism was added to Horthy's principal traits.²⁰ Nicholas Roosevelt also painted small vignettes of other leading Hungarian politicians, and his descriptions were always acute and entertaining. He had already met some of these people earlier in 1919, such as Pál Teleki and Albert Apponyi, but there were new faces, too. Long-time prime minister István Bethlen, for example, together with many aristocrats in Hungary, “gave an impression of fatigue, as if they lacked energy and virility,” whose political weapons were “indirection, evasion, subterfuge, secrecy.”²¹ Still, “Bethlen was a man of rare charm. Slight, slender, sinewy, he had the air of a man who had live much on horseback—as, indeed, he had. The head was a most interesting one—small, long, not very high, with a tanned brow and face that was deeply wrinkled even though still youthful. He was quiet but incisive, reserved and, at least with me, never friendly.”²² Nicholas Roosevelt had the rare privilege to serve in Hungary while the country had three different prime ministers: Bethlen, Gyula Károlyi, and Gyula Gömbös.

NICHOLAS ROOSEVELT'S WORK IN HUNGARY AND HIS OPINION ABOUT HUNGARY AND THE HUNGARIANS

When Roosevelt arrived in Hungary in the late fall of 1930, the major issue was naturally the worsening economic and financial situation and the growing distress it was causing. As far as Hungary was concerned, the major problem arose from its structural economic weakness. Being a heavily agricultural country, Hungary's well-being was to a considerable degree based on the quantity and quality of its harvest, which in turn was dependent on the weather, and even in good years and with a bountiful harvest there was the question of international wheat prices. Therefore Hungary's convertible currency stemmed from a somewhat vulnerable sector and its volatile market beyond the country's borders. Indeed, when prices did begin to decrease, then went on to fall dramatically, Hungary found itself in a dangerous situation economically and financially alike. Perhaps this was the worst possible moment for someone to assume the post of American minister in Hungary. Although, as was mentioned, traditionally Hungarians and other Europeans looked to the United States as the beacon of hope both politically and financially, the strict reality was very different. The United States showed little if any willingness to help Europe stand on its feet. When Roosevelt arrived in Budapest, he could not help being only a witness to a country writhing in economic and financial pain, but he lacked any palliative let alone cure that his country through him could or was willing to offer. Roosevelt had to embody another chapter of imagined and hollow promises despite Hungarians' hope against hope that America might come to the rescue.

²⁰“Hungary,” Box 45, *Nicholas Roosevelt Papers*; Roosevelt (1953), pp. 192–193, 200.

²¹“Hungary,” Box 45, *Nicholas Roosevelt Papers*.

²²“Hungary,” Box 45, *Nicholas Roosevelt Papers*. On his views of the various Archdukes and archduchesses in Budapest, see, Roosevelt (1953), pp. 195–199; and other Hungarian aristocrats, pp. 199–205.



Since Roosevelt was interested in the economic-financial dimension, and the State Department had also asked him to focus on this issue, he was busy monitoring and analyzing what he was witnessing in his host country. Amidst the brewing disaster—which would begin in full force in May 1931—Roosevelt relied both on some members of his staff, like the commercial attaché, who called attention to the misleading data in the monthly reports issued by the Ministry of Finance, and Hungarian experts such as Eugene Havas. Havas was still only 31 years old when Roosevelt arrived in Budapest, but he was already an intellectual force to reckon with. He was an eminent economist and for years he had been the Budapest correspondent of the London-based *The Economist*, a leading weekly on the continent. He was one of the few people helping Roosevelt understand the deepest underpinnings of Hungarian financial issues and, in contrast to the official Hungarian reports, he provided raw facts about the growing crisis in addition to being a “gadfly, urging me to see people of all sorts and arranging meetings with politicians, journalists and others of every political shade so that I should have as complete a picture as possible.”²³ The other person proving to be a great help was Royall Tyler. This American was a financial expert of his own making and had served as the League of Nations’ man in Budapest between 1924 and 1929 concerned with the financial reconstruction, and needed to return in the fall of 1931 in the capacity of League adviser.

Despite his later positive memories concerning Hungarians, Nicholas Roosevelt did not have a high opinion of Hungarians at that time—at least his initial diary entries after the first few months at his new post convey that much. He found, for instance, the traditional Hungarian folk dance, the Csárdás, “strikingly barbaric and primitive.” He detected in it a similarity to the Navajo Indians except for the clothing they wore. He also took issue with the Hungarians’ “lament and façade. It is not well to look behind it, either, for it is disillusioning.” Then he added that Hungarians were “keenly aware of their closeness on level to the more Eastern people, and this is why they make such a great hue and cry about the inferiority of the latter and their own superiority and thousand year history etc.” These observations led him to the conclusion that “for the present I am less enthusiastic than I was.”²⁴ This feeling toward his hosts in general was not helped by the fact that overall circumstances in Hungary as well as in the Central European region failed to show any sign of improvement, and soon enough the crash took place.

On May 11, 1931, the Creditanstalt of Vienna, the largest Austrian bank declared bankruptcy. The ramifications were very quick and equally grim. The panic soon reached neighboring Hungary and Germany, and later played a role in the collapse of the gold standard that was supposed to be the main pillar of the international financial system and stability. For an overwhelmingly agricultural country utterly exposed to the weather and to volatile international market prices, a foreign debt totaling at 4.3 billion pengő (\$860 million) clearly foreshadowed disaster once the bank sector also cracked.²⁵ Nicholas Roosevelt’s first reaction to the unfolding situation and his ensuing message were ominous: “This part of the world has become a political cauldron in the last two weeks, and is about ready to boil over,” he wrote to his mother, while in the official report to the State Department he opined that the circumstances “had gravely

²³“Hungary,” Box 45, [Nicholas Roosevelt Papers](#).

²⁴The quotes are from the diary entry for February 8, 1931, Hungary 1930–1933, Box 21, [Nicholas Roosevelt Papers](#).

²⁵[Gunst \(1996\)](#) p. 48.



increased the unrest and uncertainty in this country,” and it was likely “that the political as well as the economic situation in Hungary may at any moment become critical.”²⁶ In this estimate he was not wrong. For the next two years—his remaining tenure as minister in Budapest—Hungary balanced on the threshold of total financial collapse. Characteristically, in a letter to his mother he also bragged about his omniscience regarding the serious financial situation: “I was one of the very few people who already months ago predicted it and wrote lengthy dispatches about it and insisted that there was but one solution. I am of course much interested to see my predictions verified and my interpretations proved correct.”²⁷ Roosevelt never needed any outside boost when it came to self-confidence.

After a tour of some countries in Europe, he judged the overall situation on the whole continent as very sad. At the end of August he informed his mother about the dark outlook “with lots of starvation and suffering—perhaps even worse.” He added that he was “more pessimistic than ever about this old Europe, and fear we shall have several ghastly years ahead of us.”²⁸ Perhaps the fact that Bethlen and his government resigned on August 24 may have played a part in his diagnosis. After ten years, Bethlen, the “permanent prime minister” as he was called on account of his unprecedented long tenure, realized that he was not able to turn things around and rather chose to pass on the reign to Gyula Károlyi. Under Károlyi’s premiership Hungary reached the deepest stage of the crisis, and the austerity measures he introduced could not mollify the adverse conditions. Roosevelt found him a likeable character, but the general conclusion of the contemporaries and historians alike seems to have been that Károlyi was not a first-class politician.

Together with Hungary, Nicholas Roosevelt himself hit rock bottom in the fall of 1931—at least his various letters, reports, and diary entries carried a tone of total pessimism at that time. He wrote to the economic advisor of the State Department, Herbert Feis, that it seemed impossible “to stave off disaster.”²⁹ By October, after spending ten days in Switzerland partly to see his future wife, Tirzah Maris Gates, and partly to try to gain useful information as to the possible future of Hungary’s finances, he was afraid that Hungary’s situation was “beyond help, and we face, as I foretold many months ago, a winter of suffering and probably of strife. The financial problem is beyond repair, and I fear the worst.”³⁰ Another four weeks later he described Budapest as a very bleak place: “More and more beggars are to be seen, and persons in rags. Starvation is round the corner for thousands, and the situation not only here but all through East Europe seems hopeless. The government and people here continue to live in a world of make-believe, and refuse to face facts. It is discouraging.”³¹ These were rare moments of absolute loss of confidence both in the economic and financial outlook of Hungary and Europe, and his own self.

²⁶Nicholas Roosevelt to Mrs. J. West Roosevelt, May 14, 1931, Box 12; Nicholas Roosevelt to Henry L. Stimson, No. 101, May 15, 1931, Box 69, *Nicholas Roosevelt Papers*.

²⁷Nicholas Roosevelt to Mrs. J. West Roosevelt, July 5, 1931, Box 12, *Nicholas Roosevelt Papers*.

²⁸N. Roosevelt to Mrs. J. West Roosevelt, August 25, 1931, Box 12, *Nicholas Roosevelt Papers*.

²⁹Nicholas Roosevelt to Herbert Feis, September 2, 1931, Box 5, *Nicholas Roosevelt Papers*.

³⁰Nicholas Roosevelt to Mrs. J. West Roosevelt, October 1, 1931, Box 12, *Nicholas Roosevelt Papers*.

³¹Diary entry, October 29, 1931, Hungary 1930–1933, Box 21, *Nicholas Roosevelt Papers*.



As minister, the pace of his work was a regular standard: collecting data, sending reports and analyses based on these, recommending proposals of financial and economic nature, describing the political situation inside and outside Hungary. Since he was highly interested in economic and financial questions, he regularly highlighted this side of the picture. Apparently, his ministerial reports struck a favorable chord among those who read them. Herbert Feis, for instance, referred to “the many very excellent dispatches on Hungarian financial conditions” that Roosevelt had been sending, while ambassador Joseph Grew confirmed from Tokyo that Roosevelt’s reports were “regarded as the best received from any source in Europe.”³² But compliments came from circles outside the US government, as well. Thomas Lamont of J. P. Morgan & Co., for one, partly based upon his conversation with Royall Tyler, praised Roosevelt for “doing an excellent job at Budapest,” and for having “proved to be a careful and watchful observer for it and have on the side so informed yourself as to make you one of the world’s leading experts on Hungary and the nations round about.”³³ Roosevelt indeed predicted that Hungary would declare a moratorium on its foreign loans, which happened just prior to the Christmas of 1931. The Hungarian government, for its part, was so short on foreign currency that it found that this controversial step was the only recourse left. Only the League of Nations reconstruction loan was exempt for some time. With this development, the Hungarian financial calamity reached its nadir.

Hungary’s economic and financial situation remained a constant headache to the Hungarian government and the League of Nations, let alone the various creditors. Pessimism is the best word to describe the American minister’s mood during these months. He was “frank to admit that I see no possible way other than a fairly rapid process of sliding back into social and economic conditions of several centuries ago.”³⁴ He expected the worst to happen in late March and thought it would be useful to be “present when the kettle boils over.”³⁵ Despite Roosevelt’s gloomy predictions, the society itself did not crack under the pressure and no upheaval took place, but misery and hunger were indeed rife, and no end was in sight to such circumstances. In June 1932, Hungary defaulted even on the Reconstruction Loan of 1924, which enjoyed immunity to the moratorium declared at the previous Christmas. The country’s gold reserves were depleted, and no substantial foreign currency was available due to restricted trade. Since 1930 Hungary had suffered a more than 50% decrease in its foreign trade. Under such conditions, even the League of Nations agreed, it would have been unrealistic to expect Hungary to meet its debt obligations.³⁶

On the official surface, however, perhaps naturally, Roosevelt played the role of the American diplomat. It was an expected part of his job to be the contact person between the United States and Hungary, and, especially since he was a journalist, he put an emphasis on limited public appearance and a sensible cooperation with the Hungarian newspapers. Already at the

³²Herbert Feis to Nicholas Roosevelt, January 27, 1932, Box 5; Joseph C. Grew to Nicholas Roosevelt, July 11, 1932, Box 6, [Nicholas Roosevelt Papers](#).

³³Thomas Lamont to Nicholas Roosevelt, March 21, 1932, Box 8, [Nicholas Roosevelt Papers](#).

³⁴Nicholas Roosevelt to Herbert Feis, February 10, 1932, Box 5, [Nicholas Roosevelt Papers](#).

³⁵Nicholas Roosevelt to John F. Carter, Jr., March 22, 1932, Box 2, [Nicholas Roosevelt Papers](#).

³⁶Work of the Financial Committee during its Forty-sixth Session (June 27–30, 1932), *League of Nations Journal* (July 1932) pp. 1453–54.



beginning of his service in Hungary he tried to strike a friendly chord with the Hungarian journalists exactly on account of being colleagues.³⁷ From time to time he also gave interviews to Hungarian dailies. These are interesting from the aspect of how Nicholas Roosevelt, in an official capacity representing his government, informed the Hungarian newspaper-reading public on various issues concerning the United States and Europe. Naturally, he always avoided politics, but was willing to confer about general issues of interest. In an interview, for example, he was asked about the relative lack of high culture in the United States. He fervently defended his compatriots and their lifestyle. The importance of commercialism and general welfare, he emphasized, was not necessarily irreconcilable with culture. And although he admitted that standardization was typical in the United States, he cited the achievements of American science, charity, or well-organized public education.³⁸ On another occasion, on account of the upcoming summer Olympics held in Los Angeles, he emphasized the record-oriented attitude of American society.³⁹

Concerning his official capacity, on occasions he had to be present at certain events. One was the annual celebration of July 4th at the George Washington statue in the City Park of Budapest. This occasion was always a headache to American ministers in the interwar years. The Hungarian hosts, more often than not, made an attempt to use the commemoration as an opportunity to lament the Trianon Treaty and the loss Hungary suffered as a consequence. Since nearly all public speeches mentioned territorial revision in one form or another, appearing on the same stage with people embracing that view, the American ministers or other representatives were always on their guard and took immense care not to say anything that might show any agreement with irredentist politics. In the summer of 1931, for example, it was the 25th anniversary of the unveiling of George Washington's statue in Budapest City Park, and Roosevelt had to be present with most of the Legation's staff. On this occasion he made a speech that pleased Hungarians. In addition to praising Washington and his legacy, Roosevelt also had nice things to say about his hosts. He mentioned the beautiful Great Plains of Hungary, and he found parallels between Americans and Hungarians. He spoke of similar historic movements and conquering the wilderness, self-reliance as a common trait in the two peoples, and of the highly developed culture that Hungarians made possible in the Carpathian Basin.⁴⁰ There was a clear contradiction between these words and his thoughts recorded in his diary entries that were not so favorable to his host nation. This is not shocking. As an American minister, Roosevelt had to work on the best possible relationship between the two countries; as a private person he could have the luxury to form an opinion about Hungary and Hungarians that the hosts would not have liked to learn.

By the fall of 1932, when it was clear that Hungary was not going to recover quickly, if at all, from the tight grip of the depression, Gyula Gömbös succeeded Károlyi at the helm. The new prime minister appealed to Nicholas Roosevelt in many ways and he was "optimistic about him."⁴¹ He liked the Gömbös's "directness, vitality and obvious simplicity," and found him

³⁷Diary entry, March 25, 1931, Hungary 1930-1933, Box 21, [Nicholas Roosevelt Papers](#).

³⁸*Pesti Napló*, April 5, 1931, pp. 49-50.

³⁹*Sport hírlap*, March 24, 1932, p. 9.

⁴⁰*Budapesti Hírlap*, July 5, 1931, p. 5.

⁴¹Nicholas Roosevelt to Mrs. J. West Roosevelt, October 11, 1932, Box 12, [Nicholas Roosevelt Papers](#).



“immensely alive and refreshingly earthy.”⁴² What was even more appealing to Roosevelt’s taste was the fact that Gömbös “always spoke to me with great freedom—even about Hungarian political affairs—and I enjoyed his racy bluntness.”⁴³ Sometimes they had dinner together, and these occasions convinced the American minister that the incumbent prime minister may have been a simple soul but was definitely shrewder than expected.⁴⁴ Gömbös indeed brought fresh blood to the politics of Hungary, and at the initial stages he was fairly successful. After being in office for two months, Roosevelt reported to Washington that the new prime minister’s popularity since October had only grown.⁴⁵ Another two months later, however, he detected signs that this trend was beginning to change and Gömbös’s popularity was waning.⁴⁶ No doubt this was due to the fact that things were not turning quickly around in the country. Still, it was during Gömbös’s tenure as prime minister that Hungary slowly climbed out of the deep hole of the depression. This was not solely thanks to him, of course, but he also played an important part in strengthening the Hungarian economic and financial position.

FAREWELL TO HUNGARY

When Herbert Hoover lost the election to Franklin Delano Roosevelt in November 1932, Nicholas Roosevelt made efforts to secure a job in the capacity of a financial expert for his government. However, being a “Hoover man” and a political appointee, the writing for him was on the wall. Indeed, his successor was John Flourney Montgomery, who had given financial backing to Franklin D. Roosevelt’s presidential campaign.⁴⁷ Nicholas Roosevelt tried to spend his remaining time in Hungary usefully. For example, he traveled to mainly nearby countries and had talks with famous political leaders of the day such as King Alexander of Yugoslavia, Benito Mussolini, Fulvio Suvich, and Guido Jung, prime minister, undersecretary of state for foreign affairs, and finance minister, respectively, of Italy, or Edvard Beneš, Czechoslovak minister for foreign affairs.

His last weeks were about preparation for his departure. Ever since the elections of the previous November, he had known there would be no need for him by the new administration. On the one hand, this was normal and he would not want to accept favors from Franklin D. Roosevelt. On the other hand, though, he was convinced that only a weaker person could follow him, especially if the choice was left to the Democratic Party machine. With much derision he noted to his colleague in Geneva that he was “looking forward to learning whether my successor here will be one of the Tammany boys or a Jewish gentleman from the East Side born in

⁴²Nicholas Roosevelt, “Hungary,” Box 45, *Nicholas Roosevelt Papers*.

⁴³*Ibid.*

⁴⁴Diary entry, November 30, 1931, Hungary 1930–1933, Box 21, *Nicholas Roosevelt Papers*.

⁴⁵Nicholas Roosevelt to Henry L. Stimson, December 5, 1932, 864.00 P.R./60, M 1206, Roll 3, National Archives and Records Administration (NARA).

⁴⁶Nicholas Roosevelt to Henry L. Stimson, February 8, 1933, 864.00 P.R./62, *Ibid.*

⁴⁷On Montgomery’s long Hungarian tenure between 1933 and 1941, see, [Frank \(2003\)](#).



Budapest and selected because his uncle was associated with Bela Kun and the Communists and he is therefore certain to be persona grata to the Horthy regime.”⁴⁸ This language clearly demonstrates his bitterness at being forced out of diplomacy, if not necessarily at having to leave the Hungarian post. He tried to secure some other government job for himself for the future, especially where his economic-financial expertise could count, but was unsuccessful despite energetic efforts.

On March 4, 1933, at the time of Franklin D. Roosevelt’s inauguration, according to the long-standing custom, he submitted his resignation, which was duly accepted.⁴⁹ He was “frankly, quite ready to get away. I have no wish to remain longer unless there is some compelling reason.”⁵⁰ Although it had “been a most interesting experience, with many pleasant aspects,” and he did “not regret an hour of it,” his being minister in Hungary “was beginning to pass its period of utility.”⁵¹ This tone of optimism was echoed in an interview he gave to one of the Hungarian dailies. In it he talked about the interest that American tourists were showing in Hungary, and he predicted many of them would come and visit the country. He thought that the features most appealing to such visitors were Hungarian culture and the way in which Hungarians actually lived. As for his own experience, he highlighted Hungarian music, concerts, folk songs, and gypsy music. He said that “Hungarians literally flooded me with their kindness, readiness to help, and hospitality in every part of the land. I do not know any other nation that so fervently desires to welcome foreigners so kindly.”⁵² During his farewell dinner to Hungarian journalists, his “colleagues,” he struck a very friendly note, as was to be expected. He promised to remain a friend of Hungary, and he believed that Hungary was over the most difficult period and the way forward was encouraging.⁵³ In his very last interview to a Hungarian paper, he reiterated that Hungary would be on the right track, and that he liked Hungarians and admired their endurance.⁵⁴ When he left the Hungarian capital, some dignitaries paid their respects to him at the railway station such as the Hungarian Minister for Foreign Affairs, Kálmán Kánya, a representative of Prime Minister Gömbös, or the British and Italian ministers among others.⁵⁵ He took two Hungarian sheep dogs back to America, Chloe and Puli. The two black pulis he believed were the first of their breed to reach the United States, and he planned to set up a breeding farm for them on Long Island. One of the dogs, however, persihed early the following year, and therefore he gave up this plan.⁵⁶

⁴⁸Nicholas Roosevelt to Prentiss B. Gilbert, February 25, 1933, Box 6, *Nicholas Roosevelt Papers*.

⁴⁹Nicholas Roosevelt to Franklin Roosevelt, March 4, 1933, Box 64, *Nicholas Roosevelt Papers*; *Amerikai Magyar Népszava*, April 4, 1933, p. 1.

⁵⁰Nicholas Roosevelt to Mrs. J. West Roosevelt, March 31, 1933, Box 12, *Nicholas Roosevelt Papers*.

⁵¹Nicholas Roosevelt to Mrs. J. West Roosevelt, April 14, 1933, *ibid*.

⁵²*Budapesti Hírlap*, April 30, 1933, p. 5.

⁵³*Pesti Napló*, May 6, 1933, p. 5.

⁵⁴*Pesti Napló*, May 7, 1933, p. 6.

⁵⁵*Az Est*, May 10, 1933, p. 5.

⁵⁶*Az Est*, May 10, 1933, p. 5; *New York Times*, June 2, 1933.



CONCLUSION

Nicholas Roosevelt's tenure in Hungary did little to deepen the relationship between the two countries. He arrived in Hungary at the worst possible time because the Great Depression was just setting in with all its calamitous effects. This in turn cast a long shadow on Roosevelt's years in Budapest as American minister. The already lukewarm relations, Hungary being a relatively unimportant country for the wide-range foreign affairs interests of the United States, did not become any closer. The hoped-for American help, economic or political, that so many Hungarians wanted to believe in, did not materialize either. What is more, the United States turned away from the European continent even more as the domestic economic picture in America also soured to the point of the greatest depression it had ever experienced. Under such circumstances, an American minister was doomed to failure in satisfying Hungarian illusions about the country he represented and about his person—even if his name was Roosevelt.

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