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NIXON, FORD, KISSINGER, AND THE HOLY CROWN

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The American adventures of the Holy Crown of Hungary (a.k.a. St. Stephen’s Crown) appeared to be a lesser side event during the Cold War. The Crown and assorted regalia (scepter, orb, sword, and robe) came into American custody at the end of World War II and ended up in Fort Knox by 1953. The communist Hungarian government made various attempts (ranging from blackmail to official request) to recover the regalia, but the US answer was always the same: although the Crown is Hungarian property, its return would take place only after major improvements in bilateral relations. Repatriation eventually happened in 1978, during the Carter administration. While in its own time the return triggered animated protests among Hungarians all around the United States, it received passing mention at best in various recollections with one notable exception: that of Philip Kaiser, who served as US ambassador in Budapest in 1978 and played a key part in the repatriation. Neither Secretary of State Cyrus Vance nor President Carter mentioned it in their memoirs, and National Security Adviser Zbigniew Brzezinski reserved two paragraphs to it.¹ When I first did research in the Carter Presidential Library in 1997, there was limited awareness of the story, but now, a decade and half later, there is a separate page devoted to the significance of the regalia and their return on the Library’s website.² Also, the recently published White House diary of President Carter deals with the Holy Crown repeatedly: the forgotten side event is gradually becoming part of official Cold War history.³ With the Carter administration’s public accounts ignoring the event until recently, it is hardly surprising that the fate of the Holy Crown of Hungary received no attention in the various histories of the
previous administrations: those of Presidents Nixon and Ford. To fill that gap, in this paper we take a closer look at the Nixon-Ford years to establish the significance of a possible return in the gradually improving bilateral relations between the US and Hungary and in American ethnic politics.

**Diplomatic and Political Background**

Following the 1956 Hungarian Revolution and War of Independence, bilateral relations were reduced to the lowest possible level: that of temporary *charge d'affaires*. Somewhat surprisingly, Hungary conducted a stillborn diplomatic effort, together with Poland, to mediate in Vietnam at the turn of 1965-66. In 1966 the US suggested elevating contacts to the highest, ambassadorial, level. Martin J. Hillenbrand, the first US ambassador to Hungary, arrived in Budapest in October 1967, but Hungarian party boss János Kádár’s first choice, János Radványi (then serving in Washington), suddenly deserted in May 1967. Budapest demanded his extradition but also sentenced him to death *in absentia*. The Johnson administration refused to oblige and relations refroze. It was the arrival of the Nixon-Kissinger duo in the White House that brought about genuine changes in bilateral relations.4

Bilateral US-Hungarian relations were “normalized” between 1969 and 1978, with all but three major issues (cultural and scientific agreement, return of the Crown, and MFN) settled by the end of 1973. In 1969, Budapest and Washington identified four minor issues to start with. As opposed to previous negotiations, now there was genuine intent to come to an agreement, and this set the stage for the resolution of the first two major issues: the departure of Cardinal Joseph Mindszenty from the American Embassy in Budapest (where he had stayed since November 1956) and a financial claims settlement. Mindszenty left the Embassy, and Hungary, for good less than a month before the 15th anniversary of the
Revolution (on September 28, 1971), while the claims settlement was signed in 1973. A consular agreement was also worked out (1972) and various additional gestures were made by both parties. These included high-level official and unofficial visits, the gradual removal of travel restrictions on Embassy staffs, the easing of travel restrictions for tourists, and a license to produce blue jeans in Hungary under the name, “Trapper.” Preparations were underway for the 1975 Helsinki summit and Hungary was invited to supervise the armistice in Vietnam (1973-75).  

Yet the thinly veiled hostility of the pre-1969 period did not disappear and confrontations were as numerous as public displays of rapprochement. In 1969 Budapest refused to receive the heroes of the Moon landing and did so in such a rude tone that Washington froze ongoing talks until early 1970. Hungarian conduct in Vietnam also drew well-founded US criticism, while in Hungary regular protests were held against the war outside the American embassy. In his memoirs, Hillenbrand points to the fact that Hungarian government warnings about the timing of such “spontaneous” protests were always miraculously accurate. The stones thrown at the building always shattered the windows only on the ground floor, and the Hungarian government always stood the bill of the repairs. In 1974, Professor István Deák of Columbia, doing research on Lajos Kossuth and the 1848 Revolution, was expelled from Hungary without any plausible explanation and was allowed back only for a family visit following a minor diplomatic storm. All through the Nixon-Ford years, the White House remained acutely aware of the fact that they were dealing with a communist puppet regime.

The normalization of US-Hungarian relations was part of a broader American strategy of détente, a budget-conscious version of the Cold War. Accounts of the Nixon era readily agree that the President and his National Security Adviser (Kissinger) came to view, and treat, the Soviet bloc not as a monolith but as a group of states with possibly different
interests, and played a “divide and rule” game with Beijing and Moscow in 1972. As indicated in President Nixon’s first Annual Message to Congress (February 18, 1970):

It is not the intention of the United States to undermine the legitimate security interests of the Soviet Union. … Our pursuit of negotiation and detente is meant to reduce existing tensions, not to stir up new ones. By the same token, the United States views the countries of Eastern Europe as sovereign, not as parts of a monolith. And we can accept no doctrine that abridges their right to seek reciprocal improvement of relations with us or others. We are prepared to enter into negotiations with the nations of Eastern Europe, looking to a gradual normalization of relations. We will adjust ourselves to whatever pace and extent of normalization these countries are willing to sustain.  

Finalized on May 2, 1973, NSDM-212, the official presidential guideline for conduct, set out a roadmap for such normalization: Poland and Rumania are preferred over other Soviet satellites, next comes Hungary followed by Czechoslovakia. A textbook case of “linkage” is outlined here: “With regard to the East European countries generally, progress in the economic area should be made contingent on satisfactory political conduct on international issues involving our interests and on a demonstrated willingness to solve outstanding bilateral political problems.” The Nixon-Ford switch following Watergate brought no major changes to this policy: negotiations were continued, gestures were made, but suspicions remained. The White House clearly did not want to go beyond the deals made with Hungary by 1973, and the Jackson-Vanik amendment to the 1974 Trade Act provided ample pretext to delay negotiations on outstanding issues.
Still, American willingness to negotiate bilaterally and in a constructive manner had to meet similar intentions from Hungary. In a seminal work on the nature of communist regimes, János Kornai explained how soft budget constraints made centrally planned economies prone to crisis and how these regimes tried to introduce reforms that amounted to attempts at squaring the circle.\textsuperscript{10} Kádár’s Hungary traveled this route and, in the New Economic Mechanism of 1968, proposed to “introduce elements of the market economy into the centrally controlled economy” of the country. An attempt to join the IMF, thwarted by Moscow also in 1968, indicated a desperate search for western funds to sustain the relative welfare of the “happiest barracks” and with that the *modus vivendi* (and to narrow the legitimacy gap) that had emerged between the Hungarian dictator and the people he ruled over. The turn of the 1960s and 1970s brought two marked changes in the conduct of Hungarian foreign policy: a change in personnel and rhetoric and an opening towards the United States.

If Hungary wanted western support she had to change her tone and replace the people who had stalled diplomatic progress. Ferenc Esztergályos (head of the Hungarian contingent of ICCS in Vietnam, 1973-75 and then ambassador in Washington, 1975-80) recalled in a 1997 interview that the Foreign Ministry began to seek out and promote people who spoke good English, among them himself and János Nagy, a graduate of the Sárospatak Reformed College High School, who later became the first Hungarian ambassador to Washington (1969-71) and served as deputy foreign minister thereafter (1971-80).\textsuperscript{11} Simultaneously, the combative rhetoric of the 1950s (“fascist American geopolitics”) was replaced by a more moderate tone in both diplomacy and the centrally controlled media. A case in point is the change in tone in travel writing, the most important public discourse (besides the press) on the United States in Kádár’s Hungary.\textsuperscript{12}
Kádár’s official narrative blamed “Horthyfascists” and the CIA for 1956, and the combative tone employed seriously hindered genuine talks with Washington. The US kept the “Hungarian question” on the UN agenda and demanded amnesty for the freedom fighters before talks would resume. Kádár, therefore, granted a “general” amnesty (one that still left hundreds of innocent people in jail) in 1963 and an accord was signed with the Vatican a year later. In 1966, as has been mentioned, relations were raised from the lowest to the highest level, but the Radványi incident prevented further moves until after Nixon had come to power. Hungary wanted three things from the United States: loans in hard currency, agricultural technology, and items on the COCOM-list. The two changes converged when Kádár asked János Fekete, deputy head of the Hungarian National Bank and arguably the most respected communist banker of the entire era, to take charge of the claims negotiations and instructed him to come to an agreement as soon as possible. Consequently, a decade of futile negotiations was cut short within months and the claims settlement was hammered out without further ado.\(^{13}\)

Routine diplomatic matters and highly symbolic bilateral issues were negotiated simultaneously, but never were linked directly. The future of Cardinal Mindszenty was a priority for both (with the Vatican, all three) sides, and the date of his departure (25 days before the 15\(^{th}\) anniversary of 1956) was a powerful indication of things to come. It was during these negotiations that rumors began to fly about a possible trade of the Cardinal for the Crown. Thus the two symbolic bilateral issues came to be connected, and when the first one was resolved the second remained the target of wild speculations in the media and a bargaining chip in diplomacy until resolution in January 1978.

**Nixon, Kissinger, and the Crown**

6
The return of the Crown and coronation regalia was a non-issue on Washington’s part between 1945 and 1970. In a typical Cold War ritual, Hungary would ask for the return one way or another, and Washington would refuse, demanding some undefined “improvement” in bilateral relations. As long as the two countries negotiated without any willingness to agree, the return was out of the question. But when genuine negotiations started in 1969, suspicions arose as to the intentions of the White House.

The significance of the Holy Crown lies in Hungarian constitutional history: ever since the 12th century, it has legitimized political power in the country. This “Doctrine of the Holy Crown” became official national ideology during the interwar period, when Admiral Horthy, acting as regent in a kingdom without a king, utilized it to serve territorial revisionist intentions following the unjust Treaty of Trianon (1920), which had stripped the Kingdom of Hungary from two thirds of her territory and population, and left millions of ethnic Hungarians on the other side of the borders, with the successor states. Admiral Horthy, Arrow Cross party leader Ferenc Szálasi, and communist dictators Mátýás Rákosi and János Kádár all viewed the Holy Crown as a source of political legitimacy. But so did the ever growing, politically active, anti-communist Hungarian community in the United States, which began to play its part in American elections and was difficult to ignore after 1956.

As has been mentioned, the Crown and regalia were turned over to the US Army for safekeeping from the Soviets in May 1945 by the Royal Hungarian Crown Guard in present-day Austria. The regalia then bounced around various Allied art collection points and were smuggled into the US in 1953. Then they were placed in protective containers provided by Smithsonian experts and were deposited in Fort Knox, Kentucky, where US gold reserves are also kept. All this was done in deepest secrecy while rumors swirled about the Crown being in the Vatican. It was not until 1970 that the Kádár regime was informed about the actual
location of the Crown and assorted regalia. Incidentally, it was also in 1970 that the possibility of returning them was raised.

In an April 19, 1970 article for the *New York Times*, David Binder reported, “According to reliable sources, if official relations keep on improving at the pace maintained in the last seven months, the day maybe close when Washington finds an occasion to return Hungary’s national treasure, the Crown of St. Stephen, to Budapest.” Letters of protest flooded the White House, and they came not only from prominent Hungarians working in Nixon’s 1968 campaign (e.g. László Pásztor, director of the Hungarian chapter of the RNC Ethnic Heritage Groups) but also from members of Congress. Among them was Senator J. William Fulbright, who had a heads-up from congressional correspondence predating the Binder article (as early as March 6 and 16), in which it was stated that the “subject of the Crown, including appropriate arrangements and timing for its return, is of active current interest to both Governments.” In separate letters addressed to Senator Fulbright (April 23) and Pásztor (May 13), the White House acknowledged the significance of the regalia for all Hungarians and asserted that there were “no present plans for the return of the Crown.” The matter seemed to have been settled.

Yet, within a year, the Crown was on the table again. During the three-way negotiations about the departure of Cardinal Mindszenty from Budapest the return of the Holy Crown was also raised. In the summer Representative Lawrence J. Hogan (Republican, MD) initiated House Concurrent Resolution 385 to keep the Crown in American custody. Such public action was not unwarranted, as indicated by a November 29, 1971 NSC memorandum from Helmut Sonnenfeldt to White House Chief of Staff Alexander Haig. According to the memo, a group of Hungarian-Americans had called on presidential advisor Harry S. Dent and protested against rumors of a possible return. Sonnenfeldt continued, “I am unaware of anything which has happened to change our standard position on this issue.
However, in June Henry was interested in it, and we provided him with a memorandum (Tab D) on the subject outlining the pro’s and con’s of returning the Crown (or placing it in the hands of the Vatican, a la Cardinal Mindszenty).” That June 9 memorandum mentioned by Sonnenfeldt actually used the domestic argument as a deal breaker against the return, quoting Pásztor that it would cost the administration most of the East European vote in the next election. All in all, this provides ample evidence to question Kissinger’s statements that no Mindszenty for the Crown deal was ever negotiated.19

It was an article in the Salzburger Nachrichten on October 28, 1971 that triggered this particular wave of protest. Citing undisclosed sources, the piece claimed that a Crown for the Cardinal deal had been negotiated by Kissinger. In a November 1 article syndicated journalist Paul Scott confirmed the rumor and protested against the plan. Four days later Cardinal Mindszenty, who may have had inside information from the US Embassy in Budapest from before he left, also protested against the possibility of repatriation in a letter directly addressed to President Nixon. Forceful public statements from the White House helped weather this storm.20

Between February 1972 and May 1974, various press reports and editorials raised the issue again and again, and the White House was forced to go into damage control mode. Meanwhile, many prominent Hungarians participated in Nixon’s reelection campaign and the White House Central File shows no internal discussion of the return of the Crown. All available evidence suggests that Kissinger seriously considered returning the Crown to Kádár either for Mindszenty or independently from the fate of the Cardinal in 1970-71, but animated protests from within the Republican Party (including the Ethnic Heritage Groups) and Congressional resistance convinced the White House that such action would cost way too much in the domestic arena.21 The fact that the White House seriously considered returning the Holy Crown to Hungary and word got out to the press about it had two distinct yet
unconnected effects. On the one hand, the Crown became a skeleton in the closet for any administration that Kissinger was part of, while, on the other hand, the Hungarian Foreign Service gradually convinced itself that the return had become a not too distant possibility.

Accordingly, two rituals emerged, one in domestic American politics, and one in the bilateral context between Washington and Budapest. In the second term, Nixon and Kissinger (now serving as Secretary of State, too) focused on Vietnam, the Middle East, and Watergate. Yet any time a newspaper article raised the matter, they had to deal with the fate of the Holy Crown. Memories of 1970-71 lingered on and created an aura of suspicion: the White House had to calm ethnic and congressional worries over and over again. Meanwhile, congressional resolutions were adopted on a yearly basis about keeping the Crown in American custody, partly to warn the White House but also to secure the ethnic vote in midterm elections. The bilateral ritual centered around Budapest raising the issue of return again and again, and the White House responding that it would only happen after relations improve. But, this time it was Washington that proved uninterested in further progress in bilateral US-Hungarian relations. Following the signing of the claims settlement in 1973, NSDM-212 called for a trade (MFN) agreement with Rumania before any such deal could be negotiated with Hungary. The Jackson-Vanik amendment to the Trade Act of 1974 may have targeted the Soviet Union, but it also set back negotiations with Hungary. Hungarian conduct in Vietnam and refusal to move ahead with the cultural and scientific exchange agreement did not help either. Normalization came to a halt well before Nixon’s resignation and the pre-1969 era of negotiating without intending to agree returned.

Budapest failed to register and understand these changes in American conduct. In a 1997 interview János Nagy explained that normalization slowed down because everybody was preparing for Helsinki. Budapest never understood the ill effects of Hungarian conduct in Vietnam and viewed it as part of a Cold War give and take. As regards the cultural and
scientific agreement, positions were irreconcilable and negotiations dragged on endlessly. Washington wanted more humanities exchanges, while Budapest insisted on natural sciences and agricultural programs. The expulsion of Professor Deák in 1974 makes sense in this context: Hungary was obviously upping the ante. Yet Budapest’s delusion was most apparent in the case of the Crown. They were aware of the fact that Kissinger had considered the return in 1970-71, and constructed a narrative in which everything pointed towards imminent return. But this story belongs to the Ford administration.

**FORD, KISSINGER, AND THE CROWN**

The presidential transition from Nixon to Ford brought no major changes in foreign policy as Kissinger stayed on as both National Security Advisor and Secretary of State until November 1975, when he ceded the former position to his deputy, Brent Scowcroft. At the same time, the Hungarian Foreign Service interpreted Watergate not as a constitutional crisis but as a right-wing conspiracy to bring down Nixon who appeared to have gone too far in improving East-West relations. NSDM-212 remained in effect during Ford’s term, too, and there was no written presidential directive on American conduct regarding the Holy Crown of Hungary. The above outlined domestic and bilateral rituals continued uninterruptedly.

A survey of the various daily briefings prepared for President Ford indicates that in two and a half years the issue of the Crown came up only three times on the highest level in the administration and that no plans or commitments were made for its return. That decision clearly belongs to the Carter administration.

In 1975 both countries replaced their respective ambassadors. Kádár decided to send Ferenc Esztergályos to Washington. His instructions, drafted by János Nagy, included a direct reference to securing the return of the Holy Crown. The new Hungarian ambassador
was made to wait two months before he was allowed to present his credentials. One possible explanation for this delay may be his role as head of the Hungarian contingent in the international force that supervised the armistice in Vietnam before April 1975. Meanwhile, with Nixon’s resignation, his ambassadors also tendered theirs to Ford. The incoming Chief Executive asked Ambassador Richard F. Pedersen to stay on in Budapest and replaced him only after his usual three years were up in the spring of 1975. His successor, Eugene V. McAuliffe, represented a unique chapter and a missed opportunity in bilateral relations, and, therefore, deserves special attention.

McAuliffe was born in 1918, went to college in Boston, graduated in 1940, and then served in the US Army until 1947. He entered the foreign service the next year, became a professional diplomat and held many prominent posts. In the Nixon era he served as DCM under Donald Rumsfeld, the US Ambassador to NATO headquarters in Brussels. It was Rumsfeld who recommended him for the Budapest post, and he insisted on being present with Kissinger when the would-be ambassador met the president. The talking points outlined by Kissinger’s staff for Ford for the March 28, 1975 meeting included references to the Holy Crown: “[t]he Hungarian Government will periodically raise with Ambassador McAuliffe the issue of the return of the Crown of St. Stephen, a matter of intense concern to all Hungarians. It would be helpful if you could indicate your awareness of the issue, and of its importance to Hungarians.” Thus, the stage was set for a new round of the all too familiar bilateral rituals.

Budapest continued to apply pressure for the return of the Holy Crown. During the 11th congress of the HSWP, Foreign Minister Frigyes Puja publicly listed the MFN agreement and the return of the Crown as the two outstanding issues with Washington, completely forgetting about the cultural and scientific agreement. When McAuliffe presented his credentials on April 28, Prime Minister György Lázár raised the issue of the return and then repeated it as an official request (for the first time ever) on July 16. The Holy Crown
also featured prominently in preparatory materials for the Helsinki summit, where Kissinger and Puja officially met and discussed, among other things, the Hungarian request for return of the regalia. All official American visitors were briefed extensively on the issue. It was under these circumstances that McAuliffe also raised the matter with the State Department in a cable sent on September 25, 1975.

In one of the most thoughtful missives ever sent from Budapest, the American Ambassador discussed “The Crown of St. Istvan” as a possibly “Wasting Asset.” In the opening summary, McAuliffe argues that with the Cold War becoming distant memory as a result of the Helsinki agreements, the return of the Crown is the “single most important psycho-political issue” in bilateral relations. Now that Hungary has officially requested return, Washington must evaluate the situation: “the Embassy believes it is now timely for the Department to conduct a thorough and basic study of U.S. policy with respect to the continued retention of the Crown, to examine the options available to U.S. policy-makers, to weigh the consequences of the several courses of action that one can identify, and then to determine the most effective way for American officials to cope with Hungarian initiatives to secure the return of these royal objects.” In the body of the report he outlines the matter and possible courses of action in a most comprehensive manner.

In an insightful overview of recent developments, McAuliffe ascertains that Kádár has come a long way since the suppression of the revolution and that thousands of the 200,000 that left Hungary in 1956 have returned as tourists. With what he calls “amazing naiveté,” Budapest has convinced itself that the Crown would be discussed after the departure of Mindszenty, the signing of the consular agreement, or the claims settlement. But then “came the Trade Act of 1974 which dashed Hungarian hopes for MFN, and it was their own club-footed performance on the ICCS in Vietnam which transformed dreams into unrelieved gloom.” After Helsinki, however, Hungarians have made public (Puja) and official (Lázár)
advances in the issue, and there is tangible pressure from within the government to go public with a diplomatic request. Hungarians feel that some mastermind, possibly Kissinger, is behind the various official visits to Hungary, and they correctly sense that Congress is challenging the administration on many issues, including foreign policy. Esztergályos has divided his attention between members of Congress and the Executive branch, and Budapest has successfully convinced Representative Charles Wilson (Democrat, TX) to introduce a resolution in Congress about the return of the Crown and regalia. Their focus now is back on Secretary Kissinger. The Budapest Ambassador emphasizes that Kádár sees the Crown as a centerpiece of his legitimacy both at home and abroad.  

Next, he raises a number of legitimate questions to consider. The first group of questions revolves around Washington’s actual intentions: Does the US want to return the Crown or not? If not, why not tell Budapest honestly? If yes, what are the conditions and the proposed timing? Is Kádár himself the obstacle? “Are there specific, identifiable steps which the USG expects the GOH to take as preconditions for the Crown’s return?” Would the Hungarian government play along in such a scenario? The second group of questions addresses the legislative dimension: How to handle the matter if it goes to Congress and the legislature passes a joint resolution in favor of the return? How does the Jackson-Vanik amendment play into all this? The third group of questions probes into the Hungarian scene: Would the Crown, placed in the Buda castle, revive cultural awareness and interest in national history, and “thus undercut ‘proletarian internationalism’?” Would placing it in St. Matthias Church “strengthen the position of the clergy?” The fourth group of questions returns to the original question of US intentions: If Washington sustains its “policy of non-response to Hungarian advances” how would the White House respond to an “official note verbale,” or Soviet intervention, or possibly Hungary raising the issue in UNESCO? The fifth and final set of questions addresses the possible form of return: Would it be done in secret, or
in public? In the latter case, what would be the official rhetoric and who would be part of the
delegation? Should the return, if decided in favor, take place in Washington or Budapest?

The cable concludes with a direct request for action: “That the Department undertake
a basic re-examination of U.S. policy concerning the retention/return of the Crown of St.
Istvan, that it list the options and alternatives currently available to the U.S., that it define the
courses of action which one might take in the event that certain identifiable contingencies
were to develop.” By way of conclusion he commits all the resources of the Embassy to such
review of policy.

In the history of bilateral US-Hungarian relations, McAuliffe’s attempt to initiate a
major policy change stands as a unique example. He understood the bilateral ritual that had
been played out repeatedly since 1972 and wanted to break the chain one way or another. The
fact that in five months between his appointment and sending the above detailed cable he
came to understand the situation in such depth testifies to his diplomatic skills. In light of the
above it is fair to say that he was the most experienced and most professional ambassador
Washington has ever sent to Budapest. But the cable clearly shows something else, too:
diplomatic conduct in Brussels and in an Iron Curtain capital was quite a different ballgame.
It was the NATO mission DCM in McAuliffe that prompted him to take the initiative as
Ambassador, but it was the Cold War ritual played out by the White House that prevailed
over his proposals. Within a year Rumsfeld would be appointed Secretary of Defense, and he
asked for McAuliffe as assistant secretary. The Budapest Ambassador duly resigned on
March 11, 1976, and left his post for good on April 15. Back in Washington, he met the new
National Security Advisor on April 27, and the preparatory briefing for Scowcroft gives away
the administration’s position on McAuliffe’s September 1975 initiative: “US-Hungarian
relations are still troubled by such issues as the Crown of St. Stephen, and Hungary’s lack of
MFN. … McAuliffe, shortly after arriving in Budapest, took a run at Washington on the
return of the Crown, but this died.” Ford failed to name a successor, and the next US Ambassador to take the Budapest post was Philip M. Kaiser, appointed by President Carter in August 1977. Indicative of the true significance Washington attached to Budapest, the US thus went 15 months without an ambassador in the Hungarian capital.

Eugene McAuliffe’s tour in Budapest proved to be a wasted opportunity in improving bilateral relations because Washington did not want to move beyond the deals made by 1973. Hungarians made one more attempt to elicit some response from the White House on the Crown during Deputy Prime Minister Gyula Szekér’s May 1976 official visit that included a grip-and-grin session with President Ford. The official White House press release about the meeting denied any discussion of the return of the Crown, but we know from diplomatic sources that Szekér did raise the matter and Ford gave the usual non-committal answer.

The fate of the Hungarian crown jewels was raised one last time during the Nixon-Ford years in December 1976, following Ford’s narrow defeat at the polls by Democratic challenger Jimmy Carter. On December 7 Bud McFarlane, Ford’s Special Assistant for National Security Affairs, asked East European expert A. Denis Clift for help in a note bearing the title, “Crown of St. Stephen time again!” According to McFarlane, the “good Secretary of Commerce in his debrief from his crusade in Europe urged that the President give serious consideration to returning the Crown of St. Stephen to the Hungarian people as an act of Noblesse Oblige before leaving office. The President shrugged and said he would consider it.” A two-page memorandum on the Crown was prepared under Scowcroft’s name, and was sent to McFarlane by Bob Gates with an “eyes only” note. The Gates note pointed to the fact that “opposition to return of the Crown is 99% domestic politics” and that Scowcroft should strongly urge the president to consult his advisors if he decided to go along with Secretary Richardson’s proposal. The note concludes with the following paragraph:
Between you and me, it is the sort of “midnight” or January 19 decision proposed by Richardson that invariably reflects badly on a President in retrospect. If Brent is asked, I think he should recommend letting sleeping dogs lie. Let the next President face up to the goulash hitting the fan.  

The Scowcroft memorandum was finalized by December 11, 1976. It discussed the legitimacy question quite openly:

The Hungarian Government asks that the jewels be returned to its custody as a part of its cultural heritage. The Communist government also seeks their return because they symbolize the legitimacy of the government possessing them and perhaps – as many Hungarian emigres believe – because their return would symbolize the end of resistance to the Communist government and finally quell hopes for a non-Communist restoration.

By way of conclusion, it reiterated the well-known American position:

We have taken the position that return of the Crown and other jewels would take place in circumstances and at a time appropriately marked by substantial improvement in the atmosphere and course of our relations with Hungary. The Department of State reaffirmed this policy last year in response to proposed Congressional resolutions opposing return of the jewels, stating that the U.S. does not consider that a
“substantial improvement” in our relations has taken place thus far which would justify consideration of return of the crown. This remains at present the U.S. position.\textsuperscript{35}

The reference in the Scowcroft memorandum to Congressional action taken in 1975 refers to the domestic American ritual that has been explained in detail above.

Unsurprisingly, this trend also continued into 1976, but with a double twist: it was the first presidential election year after Watergate and a double anniversary of two highly symbolic events. As regards the elections, the question was whether the Republicans had recovered successfully enough from Watergate to win the presidency and also if they could reverse the results of the 1974 midterm elections in which they lost several seats in both houses. The two anniversaries were the bicentennial of the United States and the 20\textsuperscript{th} anniversary of the 1956 Hungarian revolution. In such context it is natural that Eastern Europe played an important part in the events of the year.

**THE EAST EUROPEAN DIMENSIONS OF 1976**

The stories of the Sonnenfeldt doctrine, Ford’s gaffe in the second TV debate, and his note to Hungarian Freedom Fighters on the 20\textsuperscript{th} anniversary of the Hungarian revolution round out the story of the Nixon-Ford years and help explain why US foreign policy decision makers working under Kissinger had grown sick and tired of dealing with the Holy Crown of Hungary by December 1976.

In December 1975 Kissinger and Sonnenfeldt met 28 American ambassadors in a session held behind closed doors in London. No official minutes were taken, but a summary was assembled from various unofficial notes and cabled to the participants. Journalists
Roland Evans and Robert Novak got hold of a copy and published a scathing article, on March 22, 1976, in the *Washington Post*, claiming that Sonnenfeldt supported a “permanent ‘organic’ union” between Moscow and her satellites. This came to be known as the “Sonnenfeldt doctrine” and is the most famous Cold War doctrine that never was. The White House had to go to damage control mode again, and Myron Kuropas, Ford’s Special Assistant for Ethnic Affairs, had his hands full with this latest PR nightmare.\(^{36}\)

Meanwhile, during the course of the year and the campaign, a strong challenger emerged to the incumbent president from within his own party in the person of Ronald Reagan. The Ford Presidential Library in Grand Rapids, Michigan, still presents the Reagan challenge as one of the reasons for defeat in 1976 and points to the divisive effect on the GOP of the combative tone applied by the challenger from California.\(^{37}\) When Ford managed to weather the storm at the National Convention, his team agreed with Carter’s crew that three TV debates would be held. The significance of this lay in the fact that these were the first such debates since the one held in 1960 which cost Nixon the election. The first one would focus on domestic, the second on foreign affairs, and in the third one the candidates would address general issues. It was some twenty minutes into the second debate that Ford, under pressure in many ways, asserted, “There is no Soviet domination of Eastern Europe, and there never will be under a Ford administration.” A confident Carter responded, “I would like to see Mr. Ford convince the Polish-Americans, the Czech-Americans and the Hungarian-Americans that those countries don’t live under the domination and supervision of the Soviet Union behind the Iron Curtain.”\(^{38}\) President Ford was of course aware of the situation in Eastern Europe, but was unable to explain the “divide and rule” policy that had been initiated by Nixon and Kissinger. The media coverage of the debate led to ethnic and congressional protests and the White House was back in damage control mode.
Whereas the first two incidents are quite well-known, the third one has received no academic attention so far. In the summer of 1976 Leo Cherne, a personal friend of the president’s, and Rockefeller Republican Frank Horton of New York (who served in the House for three decades between 1963 and 1993) approached Ford with the same request: that he should personally participate in the 20th anniversary commemorations of the 1956 Hungarian revolution organized by the World Federation of Hungarian Freedom Fighters, which was linked to the bicentennial celebrations. The Federation was one of the most ardent supporters of both Nixon and Ford, but both the State Department and the National Security Council took a strong stand against accepting the invitation. Scowcroft stated his dislike in no uncertain words, “I am opposed to such a meeting,” as it “would imply a much stronger Presidential sympathy for the Freedom Fighters’ strident views than is appropriate or desirable for the viewpoint of foreign policy.” On this one occasion Ford ignored his advisors and went ahead with the meeting. Scowcroft’s team grudgingly tagged along but purged the president’s statement from any references to 1956. The first draft of the presidential message reads, in part, “We draw inspiration from your valor and perseverance in adversity. And as you observe the 20th anniversary of your heroic uprising, we express our pride in the qualities of citizenship you have brought to your new homeland and the cultural values your Hungarian heritage represents.” The final, signed, version of the presidential message for the October 21 meeting reads, in part, “We draw inspiration from your valor and perseverance in adversity. We express our pride in the qualities of citizenship you have brought to your new homeland.”

Iceing negotiations on MFN and the Crown with Hungary was balanced by a conscious effort not to antagonize the Budapest regime of János Kádár on 1956. As Hungary had changed her tone, so did Washington: this American line did not use the “Captive Nations” and “liberating Iron Curtain capitals” rhetoric of the 1950s anymore. The three incidents cited
from 1976 indicate that Washington came to accept the conclusion that the Soviet bloc would not collapse within a relatively short amount of time and began to focus on political stability (e.g. Helsinki). Having said that, Ford never gave up the “divide and rule” policy (of destabilization) initiated by Nixon and Kissinger a decade before. Preferential treatment was granted to some East European satellites over others, but Washington’s unwillingness to move ahead on MFN and the Crown also prove that they were in no hurry to grant one-sided favors to Soviet puppet regimes. Washington decision makers chose to put these issues on the back burner because they saw no possible benefits in going ahead with them. Therefore, any time the domestic press or Hungarian politicians raised these issues, they were forced to respond regardless of other matters at hand. They understandably got fed up with having to do so over and over again.

In an ironic twist, Budapest decision makers, as observed by the keen eye of McAuliffe, had convinced themselves that the White House, or at least the State Department, was willing to move ahead.\textsuperscript{42} This self-delusion helped them get over the self-imposed obstacles in the MFN negotiations and prompted them to depart the official Soviet line. In April 1977, after the Ford-Carter switch, the two countries finally signed the cultural and scientific exchange agreement, the first such deal formalized since the 1973 claims settlement.\textsuperscript{43} Normalization was up and running again, and entered what proved to be its final phase.

\textbf{RESOLUTION AND OUTLOOK}

Sleeping dogs were left alone and the next president had to face the goulash hitting the fan. Incoming President Carter applied a fundamentally different attitude towards foreign policy decision making than his predecessors by appointing two very different newcomers as
Secretary of State and national Security Adviser. For the former he chose respected New York Civil Rights lawyer Cyrus Vance, while for the latter post he picked political science genius Zbigniew Brzezinski from Columbia. While neither the Nixon nor the Ford White House Central File carries any evidence of actual debate on East European policy, the new administration faced off over the region in the spring and summer of 1977. Presidential Directive 21 was finalized and approved on September 13, 1977, five months after the cultural and scientific agreement had been signed between Hungary and the United States. As regards Hungary, the document postulated that she would get equal treatment with Poland and Rumania, and the Crown would be returned if sufficient guarantees were provided for its public display. Then an MFN agreement should be negotiated and signed. 44 Like in the case of the Middle Eastern peace accords (September 17, 1978) and the recognition of the People’s Republic of China (January 1, 1979), the Carter administration carried the policies of its predecessors to their logical conclusions. The Crown was officially returned by an American delegation headed by Secretary of State Vance on January 6, 1978. The MFN agreement was signed in March of the same year. Relations between Budapest and Washington became as “normal” as they possibly could be between the leader of the free world and a Soviet colony in the heart of Europe.

Little did anybody suspect in the spring of 1978 that within a year the Cold War would heat up again, and that the Soviet bloc would collapse by the end of the next decade. On the 20th anniversary of the return of the Holy Crown, a Hungarian delegation led by freely elected President Árpád Göncz (himself a victim of post-1956 purges) took a replica of the Crown to Washington for an official Congressional commemoration and then donated it to the Jimmy Carter Presidential Library and Museum in Atlanta, where it is now on public display. 45 The long forgotten episode has thus become part of official Cold War history.
NOTES

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3 Jimmy Carter, White House Diary (New York: Farrar, Straus and Giroux, 2010), pp. 132, 133, 143, 148, and 159. We now know that the White House considered sending Mrs. Carter as the head of the delegation, but then dropped the idea and that the President wanted to go ahead with the return as early as possible in his term to have enough time to weather the storm of ethnic Hungarian and Congressional protest. This is the first time President Carter has publicly addressed various aspects of his decision.


5 Glant, Szent Korona, pp. 51-71, and Borhi, Magyar-amerikai kapcsolatok, 96-131.

6 Martin J. Hillenbrand, Fragments of Our Time. Memoirs of a Diplomat (Athens, GA and London: University of Georgia Press, 1998), p. 262. Hillenbrand was the first American diplomat to point to the glaring gap between what Hungarian communists said (rhetoric) and the way they operated the country (as technocrats).


9 In the Nixon-Ford years official, Presidential guidelines were called National Security Decision Memoranda and were numbered. These are available online from the Nixon Library; for NSDM-212 see: http://nixon.archives.gov/virtuallibrary/documents/nsdm/nsdm_212.pdf (accessed: July 13, 2013).

10 János Kornai, The Socialist system: The Political Economy of Communism (Oxford: Oxford University Press, 1992). Kornai argues that the Communist economy is untenable by nature as political considerations overwrite economic common sense. This leads to system failure, then to “reform,” which then tears the system apart, because political concession are made to sustain what he calls “the economy of shortage.”

11 Author’s interview with Ferenc Esztergályos, June 18, 1997.


14 Glant, Szent Korona, pp. 35-49. Some of the actual formulation of the refusal is cited below.


17 “U.S. and Hungary Pleased by Improving Relations,” (page 15).

18 The related correspondence is in the “EX HU 1969-1970” folder in White House Central Files, Subject Files Box 35, Richard M. Nixon Presidential Library and Museum. The first quote comes from Raymond R. Lisle (Director for Relations with Eastern Europe) to Rolf A. Fuessler, March 6, 1970. Fulbright then wrote to Secretary of State Rogers on April 17, and the draft reply to Pásztor from Harry S. Dent is dated May 13.

19 The relevant correspondence is filed in Kissinger’s “Hungary” folder: National security Council Files: Country File: Europe, Box 693, Nixon Library. In the Sonnenfeldt memorandum to Haig, underline in the original. Also included here is Sonnenfeldt to Kissinger, June 9, 1971, “The Crown of St. Stephen: Should We Return It?” (3 pages).

20 Glant, Szent Korona, pp. 59-60 is based on Hungarian sources. The US version has been reconstructed from Kissinger’s “Hungary” folder (see note 19 above), which includes the Scott article, Mindszenty’s letter, and Nixon’s proposed response to the Cardinal.

21 For details see Kissinger’s „Hungary” folder and the various Hungary folders in the White House Central Files in the Nixon materials: “EX HU 1/1/71,” “GEN HU 1/1/71,” “EX HU 1/1/73,” and “GEN HU 1/1/73,” all four in the WHCF Subject Files, Box 35, Nixon Library.

22 The Jackson-Vanik amendment postulated that the US should sign MFN agreements only with countries that pursue a liberal emigration policy. It is generally seen to have targeted Soviet policies regarding Jewish emigration. Soviet refusal meant that the East European satellites were also expected to reject it as interference in their domestic affairs. Hungary did so, and this stalled negotiations. Senator Hugh “Scoop” Jackson (Democrat, WA) and Representative Charles A. Vanik (Democrat, OH) obviously tried to limit the scope of action available to Nixon, Ford, and Kissinger. Eventually, a deal was made that Congress could waive the amendment for a year on an individual basis. This how Rumania’s MFN deal was kept alive during the Cold War. It was in effect between 1975 and 2012.

23 Author’s interview with János Nagy, August 27, 1997, and with Esztergályos (cf. note 11 above). Nagy firmly believed that normalization stopped because everybody was focusing on multilateral issues at Helsinki, while Esztergályos claimed that they were regularly criticized for their pro-American stand by their communist allies in Vietnam. This is not what American archival sources suggest. On Hungarian conduct in Vietnam, see: Zoltán Szőke, “Magyarország és a vietnami háború, 1962-1975.” Századok Vol. 144, No. 1 (2010), pp. 47-97.

24 For details see: Hungarian National Archives (MOL) XIX-J-1-j Külügyminisztérium, Szigorúan Titkos: 1973, Box 18: 002937-002937/5 and 1974, Box 18: 001223-001223/3. (These are the Hungarian Foreign Ministry evaluations of Watergate.)

25 No NSDM deals with the Crown or bilateral relations with Hungary during the Nixon and Ford years. The State Department raised the possibility of amending NSDM-212 in 1975, but National Security blocked the attempt, claiming that State’s proposal would be a reevaluation of official policy: “Eastern Europe 1975 NSC.”
There were daily “Evening Reports” and “Noon and Evening Notes” prepared for President Ford by the NSC staff, and detailed materials were assembled for the Helsinki summit. The July 28, 1975 Daily Briefing informed the President that Hungarian Prime Minister Lázár officially requested the return of the Crown in a meeting with Ambassador McAuliffe: Box 8, National Security Adviser White House Situation Room: Presidential Daily Briefings, 1974-77. For the 6-page Helsinki material on Hungary see: “July 26 - August 4, 1975 – Europe Briefing Book – CSCE Bilateral Book – Volume I (5)” in Box 10, National Security Adviser Trip Briefing Books and cables for President Ford, 1974-1976. The July 27, 1976 Evening Report claims that Mindszenty’s successor, Cardinal Lékai was coming to the US and he would not raise the return of the Crown officially: Box 1, National Security Adviser White House Situation Room. Evening Reports from the NSC Staff, 1976-77, Ford Library. The return was raised a fourth and final time in December 1976, and it is discussed in detail below.

For details see the “Hungary (1)” and “Hungary (2)” folders in: National Security Adviser Presidential Country Files for Europe and Canada: Box 7: “Germany-State Department Telegrams,” Ford Library. Esztergályos was approved by March 30, 1975. In Washington, he claimed that he had to return to Budapest on July 15, and not being allowed to present his credentials before that would undercut his standing at home.

All McAuliffe materials, including his bio and talking points for the March 28 meeting are in folder “Hungary (1)” in National Security Adviser Presidential Country Files for Europe and Canada: Box 7: “Germany-State Department Telegrams,” Ford Library.


Various versions of the President’s message, sent on September 27, 1976, are in the Kuropas folder (cf. note 39 above), and in “Hungary 1976 (3) WH” (cf. note 40 above).

These are the conclusions of Borhi and Glant, based on Hungarian Foreign Ministry files and confirmed by the interviews cited in notes 11 and 23 above.

Borhi published most the relevant documents in Magyar-amerikai kapcsolatok, pp. 701-731. See also Glant, Szent Korona, pp. 77-85.


Author’s interview with Árpád Göncz, May 20, 1998. The events were covered extensively in both the American and Hungarian media. A ceremony in the National Museum in Budapest was also held on January 6, 1998. The Carter Library page (cf. note 2 above) mistakenly claims that the Crown is in the National Museum. It was moved to the Parliament in 2000.
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