

## BULGARIA

### MILITARY COUP D'ÉTAT IN BULGARIA

874.00/474 : Telegram

*The Minister in Bulgaria (Sterling) to the Secretary of State*

SOFIA, May 19, 1934—3 p. m.

[Received May 19—2:30 p. m.]

16. At 1 o'clock this morning the military forces without warning took over the Government and occupied all Ministries and public offices. There were no disturbances and at noon military was withdrawn and city is normal. The King has signed a decree appointing the new Cabinet as presented to him by the leaders, which is composed of officers, ex-officers and politicians of good standing.

It seems to be a continuance of a group which has the country's interest at heart and a protest against petty party politics manifested by Cabinet crisis, in reality a peaceful *coup d'état* led by the Army. Cabinet is headed by former Minister Kimon Georghieff, who is also Minister of Foreign Affairs.

The official communiqué issued by the Foreign Office Press Bureau states "In a moment of acute crisis, in order to relieve the gravity of the internal political situation of the country and to assure the Government of national union which would be strong and competent, His Majesty the King, with the concurrence of the Army, has today named a new Government."

STERLING

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874.00/480

*The Bulgarian Chargé (Petroff Tchomakoff) to the Secretary of State*

No. 156

WASHINGTON, May 19, 1934.

SIR: I have the honour to inform you that according to official information I have received, His Majesty The King signed today a decree appointing a new cabinet under the presidency of Mr. Kimon Gheorghieff. The composition of the new Cabinet is as follows:

Mr. Kimon Gheorghieff, Prime Minister and Minister of Foreign Affairs,  
General Midileff, Minister of Interior and Acting Minister of Justice,

Mr. Yanaki Molloff, Minister of Education,  
 Mr. Peter Todoroff, Minister of Finance,  
 General Zlateff, Minister of War,  
 Mr. Kosta Boyadjieff, Minister of Commerce and acting Minister of Agriculture,  
 Mr. Nicholas Zacharieff, Minister of Public Works and Minister of Railways.

I avail myself [etc.]

S. W. PETROFF

874.00/475 : Telegram

*The Minister in Bulgaria (Sterling) to the Secretary of State*

SOFIA, May 21, 1934—2 p. m.

[Received May 21—11:45 a. m.]

17. My telegram of May 19, 3 p. m. Capital and country entirely quiet and new regime functioning apparently with general approval. Parliament already dissolved. *Coup d'état* organized by Army, by old leaders of 1923 coup and by heads of so-called Zveno group which has wide ramification in army and political circles and which advocates radical political reforms on Fascist lines. Officially at least the King was not cognizant of plot and had no choice but to accept situation.

Announced program and decrees already issued indicate complete change in political structure of country: concentration of power, consolidation of Ministries and of political administrative divisions of Kingdom with appointed local officials, economic reorganization and drastic economies in Government. Also imposition of authority of Central Government in Macedonia. No changes in foreign policy indicated except resumption of relations with Soviet Russia. *Rapprochement* with Yugoslavia emphasized.

STERLING

874.00/481

*The Bulgarian Chargé (Petroff Tchomakoff) to the Secretary of State*

No. 158

WASHINGTON, May 21, 1934.

SIR: I am instructed to bring to your knowledge that the new Bulgarian Government will continue the policy of cooperation with the League of Nations, of friendly relations with all powers and understanding with the neighboring states.

Please accept [etc.]

S. W. PETROFF

474.00/481

*Memorandum by the Chief of the Division of Near Eastern Affairs  
(Murray)*

[WASHINGTON,] May 21, 1934.

In handing me his note No. 158 of May 21, 1934 Mr. Petroff, Bulgarian Chargé d'Affaires, stated that he assumed the most important part of the communication to be the statement to the effect that the new Bulgarian Government would continue a policy of understanding with its neighbors. He expressed the opinion quite frankly that the sudden *coup d'état* of May 19, 1934 was inspired to a large extent by the desire to continue Bulgaria's recent *rapprochement* with Yugoslavia and the realization that this would not be possible without a strong government in power at Sofia, capable of dealing with the Macedonian situation. This opinion confirmed the conclusion already reached by the Division.

Mr. Petroff was at some pains to convince me that the King was entirely unaware of this move by the military and stated that the King had no choice but to acquiesce and accept the *fait accompli*. It was apparent however that Mr. Petroff was expressing his own personal opinion in this connection. His desire was of course not to allow it to appear that the King had had any hand in an overturn of the government by military rather than by parliamentary measures.

Mr. Petroff expressed the hope that the fact that the new government came into power through unparliamentary means would not prejudice it in the eyes of the American people. He emphasized the thought that the present swing from democratic ideals to a strong and dictatorial government in Bulgaria resulted from the grave political and economic crisis which the country faced at the present time.

WALLACE MURRAY

874.00/482

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*Memorandum by the Chief of the Division of Near Eastern Affairs  
(Murray)*

WASHINGTON, May 26, 1934.

I inquired of Mr. Hackworth<sup>1</sup> what bearing, if any, in his opinion the bloodless *coup d'état* in Bulgaria of May 19, 1934, might have on the question of recognition. Mr. Hackworth stated that he considered that the question of recognition did not arise as there had been no change either in régime or in the head of the State; while it was true that the cabinet change which resulted from the *coup d'état* was brought about by means which were non-parliamentary in character

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<sup>1</sup> Green H. Hackworth, Legal Adviser.

the important element to be considered in this connection was that the King had immediately, by official decree, given his sanction to the change.

The foregoing views expressed by Mr. Hackworth confirm in every respect my own conclusions in the matter.

WALLACE MURRAY

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PROPOSED TREATY BETWEEN THE UNITED STATES AND BULGARIA  
CONCERNING MILITARY SERVICE AND DUAL NATIONALITY<sup>1</sup>

711.744/32

*The Minister in Bulgaria (Sterling) to the Secretary of State*

No. 13

SOFIA, May 10, 1934.

[Received May 26.]

SIR: I have the honor to forward herewith a copy of the Legation's *note verbale* No. 288 of March 24, 1934, to the Bulgarian Ministry for Foreign Affairs concerning the desire of the Government of the United States to reach agreements with the Bulgarian Government on certain aspects of the problem of dual nationality, i. e., the question of an agreement on military service and other acts of allegiance in the case of dual nationality, and the question of broader agreement covering dual nationality. There is also enclosed a copy (with a translation), of the Ministry's reply, No. 7101-1-III dated April 17, 1934, from which it would appear that the Bulgarian Government will take no action on this matter at the present time.

In connection with this case, reference is made to the Department's instructions Nos. 276 of December 1928, 278 of January 9, 1929, 26 of December 6, 1930, 29 of January 20, 1931, and to the Legation's despatches Nos. 1337 of October 28 [19], 1928, 1621 of March 22, 1930, 1622 of March 24, 1930, 120 of October 2, 1930 and 137 of October 21, 1930.<sup>2</sup>

Respectfully yours,

F. A. STERLING

[Enclosure 1]

*The American Legation to the Bulgarian Ministry for Foreign Affairs*

No. 288

SOFIA, March 24, 1934.

The Legation of the United States of America presents its compliments to the Royal Bulgarian Ministry for Foreign Affairs, and has

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<sup>1</sup> For previous correspondence, see *Foreign Relations*, 1929, vol. I, pp. 444 ff.

<sup>2</sup> None printed except instruction No. 278 and despatch No. 1337; for texts of these two documents, see *ibid.*, p. 444.

the honor to inquire of the Ministry as to the present position of the Bulgarian Government with reference to the desire of the Government of the United States to reach agreements with the Bulgarian Government on certain aspects of the problem of dual nationality. For the convenience of the Ministry there is given below a résumé of the correspondence which has already been exchanged between the two Governments on the subject.

By note No. 756, of January 8, 1929,<sup>4</sup> Mr. Koddington, the then Chargé d'Affaires ad interim of the United States in Sofia, informed the Royal Bulgarian Minister of Foreign Affairs of the desire of the United States Government to conclude a treaty with Bulgaria which would have as its principal article the following:

"A person born in the territory of one party, of parents who are nationals of the other party, and having the nationality of both parties under their laws, shall not, if he has his habitual residence, that is, the place of general abode, in the territory of the state of his birth, be held liable for military service or any other act of allegiance during a temporary stay in the territory of the other party."

On the same day, by note No. 757,<sup>4</sup> the Chargé d'Affaires ad interim inquired of the Minister of Foreign Affairs whether the Bulgarian Government would also be willing to consider the adoption of a broader agreement covering dual nationality. This broader agreement would have in view the termination of one nationality or the other in case of dual nationality arising at birth, upon attainment by the person concerned of a prescribed age. A suggestion in this connection was that the nationality, after the attainment of majority, of a person born with dual nationality should be determined by the domicile of such person at the time when he reaches majority, or upon the termination of the period of one year thereafter.

By *note verbale* No. 6396-40-III, of April 11, 1929, the Ministry replied requesting the text of the law on nationality of the United States, the pertinent paragraphs of which were communicated to the Ministry with the Legation's note No. 776, of May 13, 1929, in which it was stated that the question of dual nationality would shortly come before the United States Congress in connection with a proposed amendment of the nationality laws of the United States.

On August 23, 1930, by note No. 14464-1-III, the Ministry replied that acceptance by the Bulgarian Government of the proposal to conclude an arrangement by the terms of which persons simultaneously

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<sup>4</sup>Not found in Department files, but see instruction No. 167, December 1, 1928, to the Ambassador in Belgium, and footnote 51, *Foreign Relations*, 1928, vol. I, p. 497.

possessing Bulgarian and American nationality would be freed from military service and other acts of allegiance in Bulgaria, would imply a profound modification of certain essential provisions of the laws of the country, and in consequence the Bulgarian Government considered a new study of the question indispensable, and to this end desired to know whether any such agreement had been concluded by the Government of the United States with any European state. In the same note it was stated that the Ministry saw no obstacle to engaging in conversations on the second proposal of the Government of the United States, for the conclusion of a wider agreement covering dual nationality, and inquired whether the Congress of the United States had yet adopted new legislation on the question of dual nationality.

At the beginning of 1931 the Ministry was verbally informed by the Legation that a convention dealing with military service and other acts of allegiance in cases of dual nationality between the United States and Norway, of which a copy is attached, was signed at Oslo, November 1, 1930.<sup>6</sup> At the same time the Ministry was verbally informed that the Congress of the United States had not yet adopted new legislation on the question of dual nationality. Subsequent verbal inquiries at the Ministry elicited the information that the new study of the first proposal of the Government of the United States, which study was foreseen in the Ministry's *note verbale* No. 14464-1-III, of August 23, 1930, would be undertaken in due course, after which further discussions on the subject would be entered into with the Legation. Since then, according to the Legation's record, the two questions, i. e., the question of an agreement on military service and other acts of allegiance in the case of dual nationality, and the question of a broader agreement covering dual nationality, have remained in abeyance.

[Enclosure 2—Translation]

*The Bulgarian Ministry for Foreign Affairs to the American Legation*

No. 7101-1-III

SOFIA, April 17, 1934.

In reply to the *note verbale* No. 228 [288] of March 24, 1934, the Ministry for Foreign Affairs and of Cults has the honor to bring to the attention of the Legation of the United States of America that it has carefully studied the project for an agreement covering dual nationality presented with the above mentioned *note verbale*. Unfortunately the Ministry is confronted with a difficulty which makes it impossible for Bulgaria to adhere to such an agreement. That is, the question of nationality is determined in Bulgaria by the "jus

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<sup>6</sup> *Foreign Relations*, 1930, vol. III, p. 713.

sanguinis", which means that, from the point of view of Bulgarian law and of the special law on Bulgarian nationality, it is impossible for an individual, born of Bulgarian parents and not having acquired any other nationality, to be considered as the subject of another country, even if he resides in that country from his birth to his death. In other words, Bulgarian law does not recognize dual nationality. This is not the case with the law in force in Norway, with which the United States has concluded the convention transmitted by the Legation to the Ministry. In Norway, the old Danish law is applied in the question of nationality. The Danish law is regulated by the "jus soli" which makes dual nationality possible.

Under the circumstances, the Ministry regrets that it cannot see its way clear to conclude an agreement on dual nationality with the United States, especially as, in its opinion, the Treaty of Naturalization signed with the latter<sup>7</sup> sufficiently regulates this matter and makes it impossible for a Bulgarian subject, having legally acquired the North American nationality, to be considered as having retained his nationality of birth.<sup>8</sup>

(Seal of the Ministry)

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711.744/32

*Memorandum by Mr. Maynard B. Barnes of the Division of Near Eastern Affairs*

[WASHINGTON,] July 3, 1934.

During the past four years I have had innumerable conversations with officials of the Bulgarian Ministry for Foreign Affairs on the subject of the proposed treaty concerning military service and cases of dual nationality. These conversations have convinced me that without a change in the Bulgarian law on nationality it is impossible for Bulgaria to sign such a treaty with us, and that there is no likelihood that this law will be changed in the relatively near future. Revision of the law in the manner necessary to permit of the conclusion of the treaty would lay down principles prejudicial to the Bulgarian point of view on certain of the problems outstanding between it and its neighbors. It would also affect the nationality status of many thousands of Bulgarians actually resident in Bulgaria. I am therefore of the opinion that we should accept the Bulgarian note of April 17, 1934, as a final reply in this matter.

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<sup>7</sup> Signed November 23, 1923; *Foreign Relations*, 1923, vol. i, p. 464.

<sup>8</sup> The following notation by Mr. Richard W. Flournoy of the Office of the Legal Adviser appears on the file translation: "Apparently this means that the children born to Bulgarians after their naturalization in the U. S. will not be Bulgarians. But how about those born in the U. S. before such naturalization? RWF".



I may add that I do not believe that any good can come of discussions on the subject with Mr. Petroff.<sup>9</sup> He is not in a position to induce his Government to abandon its point of view on what is a very important question for Bulgaria. If we have any persuasive arguments to present I think they should be communicated directly to the Ministry in Sofia through our Mission there.

M[AYNARD] B. B[ARNES]

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REPRESENTATIONS RESPECTING BULGARIAN MONOPOLY LEGISLATION TO SAFEGUARD AMERICAN INVESTMENT IN "PETROLE"

874.6363 Petrol/3 : Telegram

*The Acting Secretary of State to the Minister in Bulgaria (Sterling)*

WASHINGTON, September 7, 1934—7 p. m.

20. Socony-Vacuum Oil Company is concerned over possibility that eventual legislation establishing contemplated petroleum monopoly in Bulgaria may contain provisions which in effect would prove confiscatory with reference to that Company's investment in Petrole.<sup>10</sup>

Please follow developments closely in cooperation with Arnold<sup>11</sup> and your interested colleagues and keep Department informed so that if special instructions become necessary the Department will be in position to act promptly. If need arises you may of course inform Bulgarian authorities without previously consulting Department that your Government would view with concern any action which failed to afford just indemnification for American investment in Petrole.

MOORE

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874.6363 Petrol/7 : Telegram

*The Minister in Bulgaria (Sterling) to the Secretary of State*

SOFIA, November 26, 1934—10 a. m.

[Received, November 26—7:14 a. m.]

25. Department's 20, September 7, 7 p. m. Council of Ministers has approved petroleum monopoly law now pending promulgation. It confers wide powers without specific stipulations and further regulations will be essential before exact situation can be understood. Such powers potentially confiscatory in application; in particular articles 4, 5 and 6 which in substance provide for (1) expropriation or lease of such real or movable property as the monopoly chooses; (2) mov-

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<sup>9</sup> S. W. Petroff Tchomakoff, Bulgarian Chargé.

<sup>10</sup> Petroleum sales organization in Bulgaria.

<sup>11</sup> H. R. Arnold, manager of Petrole.



able property to be purchased at prices fixed by the monopoly with payment not necessarily in advance but over a period of 3 years; (3) recourse to courts against valuation but expropriation to be effected notwithstanding lawsuits.

No provision in law for [conversion?] in foreign currency.

Arnold very disturbed and communicating with his principals who will confer with the Department. He is of the opinion, however, that technical difficulties unforeseen by the Government will prevent immediate application of the law in its present form.

When project first rumored I saw the Prime Minister explaining large American interests which I hoped would not be prejudiced. Report by mail.

STERLING

874.6363 Petrol/8 : Telegram

*The Secretary of State to the Minister in Bulgaria (Sterling)*

WASHINGTON, November 28, 1934—2 p. m.

21. Your 25, November 26, 10 A. M. Please seek early interview with Prime Minister and explain that if Petroleum Monopoly Law is applied in such a manner as to destroy the investment of the Socony-Vacuum Oil Company in Petrole it is expected that indemnification will be made and facilities extended for transfer of payments.

Consult with Arnold and if he agrees you may in your discretion refer in your conversation with the Prime Minister to earlier statement of the Minister of Finance to Arnold that in view of the financial situation the Government does not wish to take over plants but is interested in entering into arrangements whereby it would utilize equipment and experience of existing organizations to the mutual benefit of the petroleum companies and the Government.

HULL

874.6363 Petrol/13

*The Minister in Bulgaria (Sterling) to the Secretary of State*

No. 85

SOFIA, December 4, 1934.

[Received December 21.]

SIR: Referring to the Department's telegraphic instruction No. 21, of November 28, 2 p. m. 1934, with regard to the petroleum monopoly, I have the honor to report further developments.

Before the telegram was received I had a short interview with Mr. Bataloff, Minister of Foreign Affairs, the object of which was to obtain an official copy of the law, inasmuch as it had not been published in

the Official Gazette; otherwise it would have been difficult for the Legation to make representations to the Government with only the advance and unofficial copy obtained by Mr. Arnold to go on. In making my request I took the opportunity of pointing out to Mr. Bataloff the large American interests involved in any taking over of "Petrole" by the Monopoly, and stated that the United States Government was fearful lest the provisions of the law might be prejudicial to those interests.

Upon receiving the official copy of the law, I wrote the enclosed note,<sup>12</sup> which is self-explanatory, taking it personally to the Foreign Office, explaining its importance and asking for the Government's serious consideration. I have also had conferences with my British, French, Belgian, Rumanian and Dutch colleagues, whose nationals are concerned in "Petrole." I understand that they are making representations similar to mine to the Bulgarian Government. It would seem that nothing more can be done for the moment. Until the law has been published in the Official Gazette it cannot be regarded as in effect.

Respectfully yours,

F. A. STERLING

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874.6363 Petrol/17

*The Minister in Bulgaria (Sterling) to the Secretary of State*

No. 91

SOFIA, December 18, 1934.

[Received January 11, 1935.]

SIR: I have the honor to refer to my despatch No. 85 of December 4, 1934, and the earlier correspondence regarding the protection of American interests under the Bulgarian petroleum monopoly project, and to report that the decree-law establishing the monopoly was approved by Royal Decree No. 203, dated December 1, 1934, and proclaimed in the Official Gazette No. 208 of December 12, 1934. The text is identical with that which I had obtained in advance from the Foreign Office, as stated in my despatch December 4.

It is a mere skeleton amendment of alcohol monopoly law which had been enacted several weeks previously, and extends that law to cover petroleum products by inserting words or phrases in appropriate places.

A translation of the new law as it appeared in the Official Gazette is enclosed.<sup>12</sup> Upon comparison with the draft text, which was forwarded to the Department with my despatch No. 82, of November 26,<sup>13</sup> it will be noted that the only significant change is in Article 42

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<sup>12</sup> Not printed.

<sup>13</sup> Neither printed.

which, in the original draft, provided a means for granting concessions for private initiative within the monopoly organization. This article now consists of only the first paragraph as quoted in the original draft, with an additional paragraph designed to exempt from the monopoly certain special mineral oil preparations (insecticides, etc.). This paragraph was paragraph (*h*) of Article 3 in the draft copy. Paragraph (*i*) of Article 3 of the draft does not appear in the law. The regulations provided for in the law have not yet been issued; they will perhaps cover the other points which were treated in a general way in the draft and quite suppressed in the law as it now stands.

As regards the situation, not much has developed since December 4, the date of my last despatch on the matter. The Belgian, British, French and Netherlands Legations have made representations at the Foreign Office filing notes similar to mine, and I understand the Rumanian Legation has taken parallel action, although I have not seen a copy of its note. No reply has yet been received from the Foreign Office to the Legation's note of December 3rd, copy of which the Department has now doubtless received.

An interesting legal situation arose, in that in extending the earlier alcohol monopoly law to cover petroleum products, the petroleum monopoly presumably became effective on December 12 when the new law was promulgated, and the sanctions for private trade except by authorization of the monopoly board should then have come into force. Mr. Arnold tells me that he enquired of the administration whether he should circularize his offices to suspend all further business. Dr. Karamboloff, head of the monopoly, seems to have completely overlooked this contingency, and assured Mr. Arnold that it was by no means the intention of the monopoly to stop Petrole's activities for the present. Mr. Arnold obtained a written confirmation of the interview. The incident is mentioned as illustrating the weakness of the patchwork in tying together the two monopolies.

Mr. Arnold has also reached an agreement with the Government regarding new Petrole imports to cover the company's needs for the immediate future, the Government agreeing to all the terms stipulated in Petrole's proposal.

The Government is now occupied with many projects, and the alcohol monopoly is meeting some administrative difficulties as well as popular opposition. The enthusiasm of the monopoly proponents is now not so loud, and it might reasonably be expected that the administration will avoid precipitate action toward a full application of the petroleum monopoly.

Respectfully yours,

F. A. STERLING