Introduction

Exemplifying small-state diplomacy in the straitjacket of Soviet geopolitics, the foreign policy of socialist Bulgaria was a matter of precarious ‘manoeuvring’ – a word that Todor Zhivkov, head of state and party until 1989, often used to self-congratulate his political shrewdness.1 Towards the West, his was a strategy of manoeuvring national interests in uncharted waters around the ‘icebergs’ of superpower geopolitics.

While Cold War historiography usually emphasises Bulgaria’s unfltering allegiance to the Soviet Union, thereby dismissing its foreign policy as a reiteration of Soviet positions, the argument in this chapter is that Bulgaria’s alignment in the Soviet sphere of influence acted as both a propeller and a brake for its ambitions towards the West. Fear of remaining more insulated than the other people’s democracies in Eastern Europe propelled its engagement with Western countries and gave it a competitive urge vis-à-vis its allies. Being a smaller power – both in a geopolitical and an economic sense – shaped Bulgaria’s foreign policy in terms of goals, opportunities and constraints, but also pressures to adapt, at times sacrificing ideological orthodoxy for economic benefits or vice versa, within the changing parameters of the Cold War.

While the party leadership manoeuvred along the fine line of national interests and Soviet allegiance, the operatives in the Bulgarian foreign services were trying to maintain their own room for manoeuvre against the interference of political dogmatism. Economic cooperation with the West, the primary engine of the Bulgarian diplomatic pursuits outside the Eastern bloc, allowed the foreign services to take the lead in the 1960s, a period when East–West relations made a shift from ‘hostile confrontation to antagonistic cooperation.’2 In this decade,
when the party leadership was denied direct access to Western governments, the state administration was responsible for the initial diplomatic advances. Implementing Bulgaria’s foreign policy towards the West, ministers and technocrats enjoyed enough room for manoeuvre to infuse this policy with their pragmatic priorities and to steer the nascent cooperation in directions that would still guide intergovernmental relations once the party took a more active role in the 1970s.

This chapter examines Bulgaria’s parallel political and economic relations with two countries across the ‘Iron Curtain’, the Federal Republic of Germany (FRG) and Denmark: their (re)activation in the early 1960s, peak around the mid-1960s, deterioration in the aftermath of the crackdown on the Prague Spring in 1968, and the subsequent efforts at recovery. This comparison has several important premises. Firstly, while the FRG was by far the most important economic partner of Bulgaria in the West, Denmark in contrast was one of the smallest among the European nations. Comparing Bulgaria’s foreign policy towards the two countries demonstrates how strongly the imperative of opening to the West shaped its outreach and how much the concerns of lagging behind the rest of the Soviet bloc steered its course. Secondly, while Denmark, an ardent supporter of East–West rapprochement, was at the sideline of the Cold War confrontation, the FRG was at the very centre of it. Therefore, Bulgaria’s engagement with the two countries evolved within profoundly different constellations of opportunities and limitations for small-state diplomacy. Shaped by divergent considerations of costs and benefits, Bulgaria’s overtures towards Denmark and the FRG differed both on the level of policy-making (in the degree of party oversight) and on the level of policy-implementation (in the scope of autonomous initiative held by state operatives).

The comparison therefore exposes not only the range of Bulgaria’s strategies for manoeuvre in its diplomacy vis-à-vis Western countries but also the range of interpretations of foreign policy objectives within its party and state apparatuses. Furthermore, it challenges
the common assumption that the Bulgarian Communist Party, *Balgarska Komunisticheska Partiya* (BKP) and its general secretary held all decision-making powers in foreign as well as economic policy whereas the state institutions were demoted to a passive role.³ This chapter’s contribution to the existing scholarship, therefore, is to delineate the scope of Bulgaria’s small-state diplomacy outside of Soviet tutelage and then to demonstrate that by infusing it with the pragmatic objectives of economic cooperation, state institutions managed to diminish its ideological dogmatism.

Bulgaria’s cooperation with the West was prompted by the post-Stalinist economic reforms which aimed to modernise the country’s industrial base. While Bulgarian research focuses on the domestic impacts of these reforms, little attention is given to their links with Bulgaria’s foreign trade and the entailed pursuits of economic partnerships abroad.⁴ In fact, their success was tied, from the onset, to an increase of both costly imports of production equipment, industrial inputs and knowhow from technologically advanced Western economies and of high-value exports to capitalist markets that could replenish the hard-currency reserves.⁵ This called for the expansion of trade volume and diversification of traditional economic partnerships. As much as it kept in line with a general reformist thrust across the bloc, this strategy also stirred competition with fraternal regimes over lucrative transfers of Western technology and access to the more demanding Western markets. In their competitive undertakings, the Bulgarian foreign trade service worked hard to restore ties with old partners like (West) Germany, and to reach out into new markets like Denmark.

Through the prism of small-state diplomacy in the Cold War context, the comparison below aims to gauge the interests that motivated Bulgaria’s opening to the West as well as the conjunctural opportunities and structural limitations it faced in carving out a foreign policy course against the backdrop of growing pan-European cooperation.⁶ This study is based on declassified documents from the Central State Archive of Bulgaria: Politburo resolutions and
documentation compiled by the party’s Department ‘Foreign Policy and International
Relations’ – contained in the BKP repositories (fund 1B); bilateral agreements ratified by the
Council of Ministers (CM, f.136); internal correspondence and memos of meetings with
foreign officials as well as annual reports and other information from the Ministry of Foreign
Affairs (MFA, f.1477), the Ministry of Foreign Trade (MFT, f.259) and the Commission for
Economic and Scientific-Technical Cooperation (f.1244). Reports of the Radio Free Europe
research unit (Vera and Donald Blinken Open Society Archive) are also consulted to assess
the repercussions of Bulgarian domestic and international activities in the West.

Mapping synchronous negotiations and comparable milestones in Bulgaria’s bilateral
relations with Denmark and West Germany, and contextualising them vis-à-vis external
geopolitical processes and internal agenda-setting, facilitates more general insights about
Bulgaria’s diplomacy and its room for manoeuvre in a particularly dynamic period of the
Cold War. Finally, investigating the parallel document trails of the party and the state
apparatus (and multiple sub-levels) reveals less straightforward links between (party)
decision-making and (state) policy-implementation than the ‘party–state’ paradigm suggests,
and brings to the fore a more ambiguous match of ideology and pragmatism than the ‘Soviet
satellite’ perspective allows for.

Bulgaria’s pursuit of bilateral contacts with Denmark in the 1960s

Under the imperative of opening to the West, Denmark – a country of minimal prior contact –
entered the scope of Bulgaria’s foreign-policy pursuits in the late 1950s. Distant not only
politically but also geographically, Denmark would subsequently become a partner that would
allow Bulgaria some room for independent foreign-policy initiatives, as bilateral contacts
were safely detached from any sensitive geopolitical issue, and hence developed under the
Soviet radar. Yet, the opportunities it presented for Bulgaria’s diplomacy were to a large
extent secured because of their intrinsic limitations. In their entry into Denmark, the Bulgarian
foreign services followed in the steps of East European countries with stable historical contacts there, particularly the Soviet Union, Poland and East Germany. This simultaneously constrained the breadth of Bulgarian deals with Denmark as secondary in importance to other socialist regimes, and infused the underlying cooperation strategy with competitiveness vis-à-vis the rest of the bloc.

In this strategy, foreign trade was both a means and an end. On the one hand, trade was anticipated to break the ice in bilateral communication. On the other hand, its growth alone was an incentive in light of Bulgaria’s weak position in international trade. Denmark, for its part, was responsive to the Bulgarian advances inasmuch as they chimed with its foreign policy of rapprochement with the East. While keeping the door open due to its staunch support for détente, the Danish government did not have much vested interest in the potential practical gains of economic cooperation with Bulgaria. In Bulgaria’s opening to the West, Denmark did not hold a top priority, but it was nevertheless an opportunity not to miss. The initial contacts were thus delegated to lower-level institutional entities. Although several tracks of fostering partnerships in Denmark were activated, each was developed by a limited number of individuals representing their respective state institutions. The small teams they formed could operate side by side in Denmark without disrupting each other’s agendas.

First to break the ice in Bulgarian diplomacy towards Denmark were the foreign trade services. In 1960, the MFT opened a trade representation in Copenhagen (Bultarg). At the time, Bulgaria still did not have a full-fledged diplomatic representation – as of 1957 the ambassador in Sweden was also accredited to Denmark and Norway. Enjoying a degree of autonomy under its loose ties to the Stockholm mission, the Bulgarian trade representatives in Copenhagen were tasked not only with building networks of economic cooperation from scratch but also with laying the grounds for intergovernmental contacts. Yet, for the envoys, expansion of economic relations would become their primary objective.
What characterised the overall diplomatic strategy of Bulgaria towards Denmark – opportunities to operate free of ideological pressures and economic competitiveness vis-à-vis allies – would shape also the operation of the Copenhagen trade office on the micro-level of the Bulgarian state apparatus. Its lower rank within the foreign trade sector allowed its employees greater autonomy from centralised oversight. But their office also had less political pull within the command chain of foreign trade. In the inevitable competition over high-quality exports resulting from Bulgaria’s limited production capabilities, Bultarg Copenhagen was at a disadvantage compared to larger and politically prioritised missions as the one in West Germany. Accordingly, when the Copenhagen mission strove to convince the administration at home of the untapped potential of economic cooperation with Denmark, it partly acted upon its own micro-institutional stakes, trying to expand its own room for manoeuvre within the foreign-trade sector.

As Denmark did not open a reciprocal trade service and handled diplomatic relations with Bulgaria through its embassy in Warsaw, the Bulgarian trade envoys brokered and maintained contacts with private firms and state institutions in Denmark. The incipient partnerships were highly personalised and shaped by a shared business ethos, which however, would often be challenged by the failure of Bulgarian enterprises to deliver upon agreed terms. In ensuing disputes, Bultarg Copenhagen tended to take the side of the Danish party: even in controversial cases it often blamed organisations at home when reporting to the MFT.

While the commercial exchange with Denmark might have been negligible (below 0.1 percent of Bulgaria’s total trade volume), its growth was nevertheless an impressive accomplishment for the small foreign-trade service dedicated to the Danish market. Starting from zero, the commodity flow between the two countries accounted for 0.6 million USD in 1960, then doubled its value by 1962.10 That year, a long-term trade agreement was negotiated with a validity of three years, subsequently renewed with an extended span of five years
(1966-1970).\textsuperscript{11} Under its arrangements, Bulgarian exports obtained a higher level of liberalisation and trade grew swiftly reaching approximately 5 million USD by 1968 but also generating a stable trade deficit for Bulgaria.\textsuperscript{12}

Another track of economic cooperation with Denmark was tourism. Soon after the MFT opened a trade mission in Copenhagen, the Bulgarian tourist administration created its own affiliate there.\textsuperscript{13} Although Denmark was not the main provider of foreign tourists for the Bulgarian seaside resorts, its market was perceived as particularly promising due to Scandinavia’s high standards of living which rendered the expenditure of Scandinavian vacationers relatively higher than that of other Westerners.\textsuperscript{14}

Just like initial economic partnerships were delegated to lower-ranking operatives with business expertise, the first political contacts between Bulgaria and Denmark were forged by peripheral actors with more discreet political profiles. In this area, the BKP lent the pioneering role to its subservient coalition partner, the Bulgarian Agrarian People’s Union, \textit{Balgarski Zemedelski Naroden Sayuz} (BZNS). Void of any independent involvement in domestic policy-making, BZNS’ international activities were encouraged under a tightly supervised mandate and targeted specifically Western political parties and organisations that the communists could not approach.\textsuperscript{15} One of the testing grounds for this strategy was indeed the Scandinavian region and the first official visits in Denmark were all done by BZNS delegations. In 1964, a leading figure at the BZNS, Lalyu Ganchev, was dispatched to Stockholm to serve as ambassador to all four Scandinavian countries – a post of unprecedented importance for the union.\textsuperscript{16} As this proved to be a viable diplomatic channel, in 1965 the Politburo ratified BZNS’ international outreach as an integral part of Bulgaria’s foreign policy.\textsuperscript{17} Same year, the first Danish governmental visit in Sofia was undertaken by the Minister of Agriculture.
Active under a limited diplomatic mandate, the BZNS nevertheless promoted its agenda in the early contacts with Denmark. The embassy in Stockholm saw Denmark as an agricultural country that in the post-war years had succeeded to mechanise its agriculture and transform its economy in a way that Bulgaria had long aspired and consistently failed to do.\textsuperscript{18} As agriculture still held the major share of the exports of socialist Bulgaria, its economic cooperation with Denmark focused on a transfer of knowhow and technology for optimising Bulgarian farming and stockbreeding. Steering economic cooperation towards agricultural modernisation, the BZNS was in fact building upon the legacy of its activities in Scandinavia before the war.\textsuperscript{19}

Bilateral contacts ascended further up the ladder in 1967 with an exchange of visits by the Bulgarian Minister of Foreign Affairs, Ivan Bashev, and his Danish counterpart Jens Otto Krag, who also held the post of Prime Minister.\textsuperscript{20} The diplomatic accomplishments comprised an Agreement on Economic, Industrial and Technological Cooperation and an agreement for visa-free travel between the two countries.\textsuperscript{21} The latter was anticipated to bring more Danish vacationers at the moment when international tourism became recognised as a key source of hard-currency income for the Bulgarian economy.\textsuperscript{22} Further agreements for road transportation, consular services and cultural cooperation were put in preparation.\textsuperscript{23}

In his meeting with Todor Zhivkov, Krag emphasised the need for de-escalation of tensions between East and West stating, reportedly, that the ‘old thesis of peaceful coexistence does not satisfy the requirements of today, active mutual cooperation is needed’.\textsuperscript{24} Despite the warm tone of the conversation with the party leader, the MFA placed at the top of its report to the Politburo, the prospects for further economic cooperation and the pressing issues of the Bulgarian trade deficit. Although Krag acknowledged Bulgaria’s troubles, he declined Zhivkov’s request for bank credits arguing that Denmark was itself an importer of capital.\textsuperscript{25}
Finally, the talks between Bashev and Krag included arrangements for a visit of Zhivkov to Copenhagen – which would have been the first visit ever of a Bulgarian prime minister to a Scandinavian country. His trip, moreover, was to include a second stop in Oslo. For the BKP, such a diplomatic breakthrough in the West was a PR stunt to bolster the international prestige of the country and its leader. From the viewpoint of the Bulgarian economic services, however, Zhivkov’s forthcoming visit was perceived as much as a diplomatic accomplishment as an opportunity for further economic gains. The practical goals on his agenda for the trip contained several Bulgarian requests rejected by Krag (like the most-favoured nation clause). Reports from the BZNS on their parallel line of communication also signalled that the moment was ripe for negotiating better terms of commerce. During yet another visit in Copenhagen in April 1968, their delegation was received at the Danish Parliament where the new Prime Minister Hilmar Baunsgaard emphasised the trade links between the two countries as a propeller of rapprochement.

**Bulgaria’s responsiveness to the FRG’s diplomatic overtures in the 1960s**

Unlike its lack of prior contacts with Denmark, Bulgaria had a long history of binding its foreign policy to the German state. Before and during World War II, the Bulgarian economy was pegged to the German Reich. On the eve of the war, the bilateral commerce accounted for almost 70 percent of Bulgaria’s exports and imports – a much greater economic dependency compared to the German neighbours in the East (Hungary – below 50 percent, Poland and Czechoslovakia – below 25 percent). This legacy, though politically sensitive, made it only natural for Bulgaria to look towards post-war West Germany for a boost to its economy.

Economic ties between the two countries carried on after the war but their pronounced expansion occurred in the 1960s. In contrast to Bulgarian–Danish cooperation where both the initiative and the institutional commitment resided mainly on the Bulgarian side, the FRG took the lead in Bulgarian–West German relations. And while the Bulgarian diplomatic
strategy towards Denmark was limited in both the breadth of its goals and the resources it could mobilise to reach them, in its overtures towards Bulgaria, West Germany applied a cohesive diplomatic agenda with long-term objectives and sufficient incentives to pursue them. Yet, while Bulgarian–Danish bilateralism could develop outside of Soviet interference, West Germany was at the centre of superpower politics and its relations with the socialist states were under close Soviet supervision.

Although all socialist countries intensified their economic transactions with the FRG in the 1960s, diplomatic relations were out of the question. The erection of the Berlin Wall in 1961 prompted the FRG to seek some form of rapprochement with the Soviet bloc instead of containment, yet the post-war status quo remained a thorny issue of no compromise. A main vehicle of the ensuing probes was ‘diplomacy through trade’, a continuation of a long existing German tradition of Osthandel. Intertwining diplomacy and trade however could not circumvent the unresolved questions concerning post-war borders and territorial integrity, war reparations and German minority rights. Unlike the GDR, Poland and Czechoslovakia, Bulgaria did not have outstanding issues with West Germany, which opened an easier path for the latter’s ‘diplomacy through trade’. In 1960, when the GDR urged the fraternal governments to release a joint declaration condemning West German military revanchism, the BKP’s Politburo added a special note in its internal resolution in support of the proposal that Bulgaria (along with Romania) was ‘not an immediate target of West Germany’s territorial revanchist aspirations’.

Bilateral commercial relations began to expand already in 1956 when the two countries signed a trade protocol. By 1960, the trade volume increased tenfold compared to 1950 when it stood at 4.7 million USD. Yet, at this peak, Bulgarian imports from West Germany twice surpassed the value of its exports, thereby causing a deficit of 18.7 million USD. While the Bulgarian regime did not have much room for manoeuvre in its policy towards the FRG, it
clearly recognised the economic benefits of possible relations. Over the next years, Bulgaria reduced its purchases from the FRG in a painstaking effort for a more balanced exchange, while keeping up its exports thanks to the goodwill of the West German authorities. As a result, for three consecutive years, Bulgaria ran a trade surplus, though its total did not come anywhere near that of West Germany in 1960 alone. In the same period, however, Bulgaria started generating huge invisible earnings on the German market through its program of international tourism.

In March 1964, Bulgaria and the FRG ratified their first post-war trade agreement, which provided the legal framework for the reciprocal opening of official trade missions with consular functions in Sofia and Frankfurt, an expansion in size and status of already operational trade bureaus. This move forward in bilateral relations was still within the bounds of acceptable contacts: in fact, Bulgaria was the fourth bloc member to exchange trade missions with West Germany. In terms of personnel as well as weight within the MFT, the Frankfurt office by far surpassed the one in Copenhagen. Yet, it had neither the broad prerogatives of the trade team in Denmark in nurturing partnerships, nor the opportunities to operate independently of political interference. Its work was conditioned mainly by political assignments and it was political expediency that determined the nominations of employees, not economical expertise as in Copenhagen. Moreover, the executive oversight was shared by the MFT and MFA, which subordinated the activities of the mission to clashing institutional interests.

In economic as well as diplomatic matters, the initiative remained on the German side, both in Frankfurt and in Sofia. While Denmark never opened a reciprocal service in Bulgaria, the FRG’s foreign trade representatives stationed in Sofia would actively seek to expand their access to state institutions beyond the MFT and promote further cooperation in non-economic fields. Sensitive to the dangers of soft diplomacy, Bulgarian bureaucrats tried hard to prevent
exposure without severing the communication. Following instructions from the party top, they systematically declined to stage West German cultural events in Bulgaria and were reluctant to facilitate scientific exchange under the scholarships offered by German academic foundations.41

By 1965, bilateral trade exceeded 100 million USD and Bulgaria spiralled into a trade deficit that spiked to 91 million USD in 1966.42 While this caused concerns within the foreign-trade services, profits from German tourists went through a comparable trend in reverse. Soon after the opening of trade missions, the tourist administration gave the green light to charter flights from the FRG and both the number of tourists and the revenues quadrupled from 1963 to 1964.43 For Germans separated by the Wall, Bulgarian resorts were a middle ground to meet in the holiday season.44 In 1965 when the influx of foreign guests in Bulgaria reached 1 million, the two countries accounting for the highest numbers of visitors were the GDR and the FRG.45 That year, the FRG also became Bulgaria’s fourth biggest trade partner (after the Soviet Union, the GDR and Czechoslovakia) in addition to its top position among the capitalist countries.46

Meanwhile, various forms of economic cooperation developed bypassing the trade mission in Frankfurt: especially, the joint ventures with Bulgarian majority rights.47 Modelled on capitalist enterprises and operating outside of strict governmental control, these so-called ‘trans-border firms’ authorised at the party apex often went rogue and competed with the official foreign-trade organisations for export contingents. Between 1965 and 1968, ten Bulgarian firms were created in West Germany, an exceptionally high concentration. Not only did they keep the trade mission in the dark about their deals, thus violating their legal obligations, as the trade attaché would complain, but they also blemished the reputation of the Bulgarian commerce with shady business practices.48 At the same time, important business negotiations with West German companies surpassed the level of the trade mission. Instead,
they were brokered by high-ranking state officials and their conclusion often involved top political participation. In line with the West German strategy of Osthandel, such negotiations supplied corporate entities with opportunities to forge political contacts. For example, the concern ‘Krupp’ initiated its negotiations for the delivery of an entire factory in personal communication with Todor Zhivkov and upon their successful conclusion in 1965 Zhivkov honoured the general manager with a protocol reception.49

While towing the Soviet line on diplomatic non-recognition, Bulgaria tried to preserve the bon ton at any cost, lured by the benefits of growing economic cooperation with the FRG. Chancellor Erhard’s Peace Note of March 1966 stirred negative responses from other Warsaw Pact members, but Bulgaria and Romania kept silent.50 At the 1966 International Fair in Plovdiv, Bulgaria’s major forum for trade negotiations, the FRG had the largest exhibition surpassing even the USSR.51 Rolf Lahr, undersecretary for economic affairs at the Foreign Office, visited Bulgaria during the fair and held talks with three members of government – Ivan Bashev and his colleagues Ivan Budinov, Minister of Foreign Trade, and Lachezar Avramov, Minister without Portfolio.52 Lahr pushed for concessions in the field of cultural exchanges on the back of expanding economic relations. He also handed Budinov an official invitation to Bonn which would have been the first Bulgarian governmental visit there. In press comments following his trip, Lahr underlined that he had not discussed diplomatic normalisation, but the MFA’s internal reports construed the talks as a ‘cautious probing for establishing diplomatic relations.’53

If in the early 1960s Bulgaria could extract high economic advantages from the FRG at small political costs, after 1966 when the Grand Coalition government formulated its Neue Ostpolitik, Bulgaria found itself in a more difficult position to uphold its economic interests while not yielding politically. In the eyes of the new West German leadership, Bulgaria (along with Romania) came up as a potential weak-link in the bloc’s line of resistance to its overtures
for diplomatic normalisation. The new government also stepped up the efforts to expand its economic footprint in Bulgaria. By 1967, the FRG was second only to the Soviet Union in Bulgaria’s imports, responsible for 10 percent of the total, and the single largest tourist provider, accounting for approximately 100,000 visitors per year. In this area, the Bulgarian regime was also a bit too accommodating to the annoyance particularly of the GDR. Vacationing in Bulgaria was one way for East Germans to flee into neighbouring NATO members, Greece and Turkey, and their fugitive attempts were often aided by West German citizens. The Bulgarian border patrols showed no mercy to intercepted fugitives creating a chilling death toll of ‘tourist accidents’ as such failed escapes were officially reported. However, the Bulgarian authorities were quite lenient with West German passport holders, many recent refugees from the GDR themselves, who were quickly released. As a rule, Bulgaria declined the GDR’s requests for extradition of its former citizens and sent detainees back to the FRG.

In January 1967, Romania established diplomatic relations with the FRG in breach of the unified bloc stance, causing much havoc in the Warsaw Pact. A month later, the FRG proposed an identical treaty to the Bulgarian government via the trade mission in Sofia. The risk of Bulgaria following suit raised concerns in Poland and the GDR, and was countered by direct Soviet pressure on the Bulgarian establishment during the Warsaw Pact foreign ministers’ meeting in February 1967. Two months later, the Politburo adopted a resolution formulating the acceptable scope of bilateral relations: delaying negotiations on diplomatic normalisation, yet ‘searching for new opportunities and paths […] for a favourable development of the economic relations between the two countries’. Additionally, the Politburo approved a number of concessions proposed by the MFA: a green light for Budinov’s visit in Bonn; permission for selected West German cultural initiatives in Bulgaria; better protocol treatment of the trade envoys; instructions to mass media to restrain from
direct attacks on West German statesmen. Finally, the party leadership backed issuing official 
assurances that under no circumstances would Bulgaria deport West German citizens to third 
countries.61 Accordingly, the Deputy Chairman of the Committee on Tourism gave an 
interview to the West German media only to stress Bulgaria’s refusal of extraditions to the 
GDR – in contrast to other socialist countries.62 After Yugoslavia also resumed diplomatic 
relations with the FRG in early 1968, Soviet pressure on Bulgaria intensified.63 Bulgaria got 
back in line curtailing not just its diplomatic receptiveness, but to an extent also its economic 
openness to West Germany.

The damage of 1968 on Bulgaria’s bilateral relations

Whereas 1966–1967 marked a peak in Bulgaria’s opening to the West, relations would soon 
deteriorate. The Czechoslovak events in the spring of 1968 terminated by the Soviet-led 
military intervention in August, which was vehemently supported by the Bulgarian regime, 
caused turmoil in Bulgaria’s domestic and foreign policy.

Bulgarian–Danish relations suffered as a consequence of Bulgaria’s participation in the 
invasion. Zhivkov’s long-planned visit to Norway and Denmark scheduled to take place a 
month later was cancelled at short notice by the two Scandinavian governments in 
coordination.64 The decisive governmental stance led to negative coverage of Bulgaria in the 
Danish press, which hurt ongoing economic negotiations with public visibility. This 
particularly affected tourism as Bulgaria’s largest Danish partner annulled its entire program 
in the Black Sea resorts indefinitely.65 As the tourist business was vulnerable to public 
opinion, the company announced its cancelation as a political decision. The boycott of 
Bulgarian organisations spread down the chain leading to further suspensions of economic 
deals.66

Facing the repercussions for its hard-line, the BKP mobilised the diplomatic corps to mend 
the country's international image. As part of this recovery, in May 1969 the Politburo ratified
a blueprint for Bulgaria’s foreign policy that highlighted relations with small and neutral
capitalist states in Europe, including the Scandinavian countries.\textsuperscript{67} During the suspension of
political contacts with Denmark, the Bulgarian regime fell back on tested approaches in
building trust, like BZNS’ participation in agrarian forums and political conferences, and
initiated negotiations in less politicised domains.\textsuperscript{68} In May 1969, the two governments signed
a cultural agreement fulfilling one of the commitments made during Krag’s visit in 1967 as
well as a protocol for cooperation between Danish and Bulgarian broadcasters.\textsuperscript{69} The embassy
in Copenhagen dedicated much efforts to reschedule Zhivkov's visit, but the Danish
government kept deflecting such approaches.\textsuperscript{70} This historic event would ultimately occur two
years after the initial date, in September 1970, only after Denmark resumed relations with the
Soviet Union.\textsuperscript{71}

Subsequently, the MFA declared Zhivkov’s trip – with visits in Copenhagen and Oslo as
originally planned and also Reykjavik – a glaring success. The ministry’s summary report to
the Politburo highlighted the proximity in positions, at times complete concord, between the
Bulgarian leader and his hosts. Furthermore, it ascertained favourable conditions for
enhancing bilateral relations in terms of small-state diplomacy: ‘In these countries,
apparently, desire for greater […] autonomy from the big Western countries is growing, fears
of “the Eastern threat” are diminishing, and certain tendencies for greater activity in the
relations with socialist countries are breaking through.’\textsuperscript{72} This optimistic assessment was quite
far from the concerns of the envoys in Copenhagen who were preoccupied with the threat of
raising trade barriers as a consequence of Denmark’s prospective membership in a customs
union. New obstacles for Bulgarian exports were first flagged with regard to a Danish
proposal for a Nordic customs union, ‘Nordek’, which was eventually aborted, and then by
Denmark’s accession to the European Communities in January 1973.
Bulgaria’s relations with the FRG also went through a downfall and a slow recovery. Yet, their deterioration was inflicted by the Bulgarian government under the growing pressure by its allies. In its change of tone, the party leadership took a cue from East Germany, which propped up its allegations of the FRG’s revanchist ambitions after the Prague Spring. The Bulgarian establishment, weary of its own exposure to West Germany, took to heart this antagonist rhetoric and Todor Zhivkov became an energetic mouthpiece against the FRG in contrast to his earlier restraint. Unlike Denmark, West Germany was not bent on closing the door to Bulgaria and even the press coverage in the aftermath of the invasion was not uniformly negative. Although bashing publications constituted the bulk of ‘foreign-media propaganda on Bulgaria’ that the trade mission in Frankfurt forwarded home, the envoys also flagged a number of articles speculating about subtle signs of Bulgaria’s divergence from the bloc along the path of Romania and Yugoslavia. This combined with the restrained positions of West German media close to the government and the business circles led them to conclude that ‘the federal government after all retains some room for tactical manoeuvres with regard to our country’.74

Despite Zhivkov’s show of loyalty to Moscow, Bulgaria’s official course towards West Germany did not undergo substantive modifications. Development of beneficial economic ties remained its primary rationale, while restraint in cultural contacts was reiterated. What changed was tightening central control over all forms of cooperation, yet oversight was not carried directly by the party but was delegated to the MFA. Bilateral trade was reduced but this was motivated not so much by political expedience as by concerns over the growing trade deficit. Although the FRG lost its leading position among Bulgaria’s capitalist trade partners to Italy, it remained the premier importer of Bulgarian production in the West. Moreover, business with West Germany did not seem to be hurt by retaliatory actions and in fact 1968 saw an increase in tourism to Bulgaria: new contracts with large travel agencies were signed.
and a massive advertisement campaign for Bulgarian resorts was carried across the FRG. As a result, now the FRG alone accounted for half of Bulgaria’s hard-currency revenues from international tourism.\textsuperscript{78}

While not interfering directly in economic cooperation with West Germany, the BKP was nevertheless determined to sever any other contacts that could imply diplomatic normalisation. In addition to declining West German cultural activities in Bulgaria, the Politburo disseminated confidential instructions for excluding the trade attaché from official events in Sofia. Yet, as the previous decade of economic advances had proven, diplomacy and trade could not evolve separately. Heinz Herrmann, the head of the West German trade mission, reported this breach of protocol and his complaint entered the agenda of the bilateral session for ratification of the annual trade protocol in 1969.\textsuperscript{79} A month later he was recalled and the FRG delayed dispatching a successor for almost a year leaving the mission under ad interim direction of Herrmann’s deputy. The signal did not escape the attention of the Bulgarian foreign service and prompted them to push for recovery of the strained relations. In this period, a recurrent theme in reports and proposals from the MFA and the MFT would be their concerns of lagging behind the rest of the bloc in the cooperation with West Germany.

The party, seemingly tenacious in its hard-line, was not as invested in defending the bloc’s stance vis-à-vis West Germany as Zhivkov’s rhetoric might have indicated. Although the BKP urgently instructed all state institutions to be on alert for any mention of West Berlin in their communication with the FRG, it also remained surprisingly oblivious to the significance of the heated issues related to the post-war status quo.\textsuperscript{80} For example, in 1969 when Bulgaria was still under Soviet pressure to cool off political openness, a deputy prime minister sent a telegram addressed ‘West Berlin, FRG’. The federal postal service redirected it to the trade mission in Frankfurt with a stamp ‘wrong address’, causing great embarrassment in the foreign service.\textsuperscript{81}
After Willy Brandt became Chancellor in October 1969, West Germany stepped up its diplomatic pursuits in the Soviet bloc. Brandt’s willingness for concessions on the unresolved questions with bloc members led to the successful conclusion of treaties with the Soviet Union and Poland in 1970, the GDR in 1972 and Czechoslovakia in 1973. During these lengthy and difficult negotiations, however, bilateral talks with Hungary and Bulgaria were put on hold. As neither country had outstanding issues with the FRG, their treaties with West Germany were rendered conditional on the successful conclusion of the more sensitive talks to give additional leverage to their allies on the negotiating table.82 Thus, while hitherto the lack of outstanding issues placed Bulgaria in the fore of the West German diplomatic strategy towards the East, now it pushed her at the back of the line together with Hungary.83

The detrimental effects of this change were immediately noted by the Bulgarian foreign services. In December 1969, the West German trade attaché a.i. was received in the MFA upon his request to discuss a concert in Sofia of a West German symphony orchestra. During the conversation, he veered into a detailed expose of the forthcoming negotiations between his government and the other socialist regimes. The meeting’s memo was subsequently appended with an unusually lengthy note by a high-ranking official at the MFA. Ordering the memo’s broader circulation among economic ministries and party sections, he made a strong recommendation for concessions on the cultural ban. Arguing that relations between the Soviet Union and the FRG were warming up, his note concluded: ‘We should avoid remaining the only passive country that shows no change regarding the FRG’.84 Under ministerial pressure, in early 1971 the Politburo moderated the guidelines for Bulgaria’s foreign policy towards the FRG also allowing cultural initiatives as long as they did not have ‘mass and propaganda character’.85

While the foreign services were trying to ease the hard-line to preserve the advantages of opening to West Germany, Todor Zhivkov kept his zeal in bashing the West German
government. In international declarations, he often overstepped the line set by Moscow leading Radio Free Europe to surmise: ‘there have been occasions when Bulgaria’s rigidity vis-à-vis the Federal Republic would appear to have been slightly embarrassing to her allies’ rather than ‘an enunciation of a common Communist stance’. Such erratic improvisations of his ran contrary to the endorsed governmental policy towards the FRG and caused much disarray among his own foreign services. Whether he embraced the role of Moscow’s ‘attack dog’ or simply lost track with the trend across the bloc, Zhivkov’s antagonistic performance undermined not only the efforts of the state administration but also the decisions of his Politburo.

Backed by both party and state, at this point, the Bulgarian foreign services were working hard on a diplomatic breakthrough with Bonn. The impending signing of a new long-term trade agreement was planned as an occasion for the first governmental visit in Bonn by Minister of Foreign Trade Lachezar Avramov. During this visit in February 1971, he held a number of top-level meetings, including with Chancellor Brandt and Minister of Foreign Affairs Walter Scheel. Part of Avramov’s agenda was preparing the ground for future diplomatic relations. During the preliminary negotiations, two issues caused disagreements: the insistence of Bonn to include West Berlin under the provisions, which Bulgaria did not feel at liberty to accept, and the insistence of Sofia on the most-favoured nation clause. The compromise on the first issues was to define the territorial scope of the agreement monetarily, by reference to the Deutschmark – thus covering West Berlin de jure without mentioning it explicitly. Such a solution was indeed to the satisfaction of the Bulgarian side because West Berlin also fell within its economic interests. Once this formulation was accepted, Bonn conceded the Bulgarian request for most-favoured nation. And two years later, in December 1973, Bulgaria and the FRG finally established diplomatic relations.

Conclusion
Throughout the 1960s, Bulgaria aspired to take its place in the process of pan-European cooperation as bridge building between East and West opened the path to détente. While not short of ambition, its room for manoeuvre in diplomatic pursuits towards the West was constrained by Moscow’s superpower politics. Yet, the limitations for Bulgaria’s small-state diplomacy also presented an opportunity: the opportunity for state officials with a technocratic rather than an ideological outlook to take the lead and subordinate the strategy of this opening to the pragmatic interests of economic cooperation. The interplay between economic exchange and interstate diplomacy took different shapes depending on how particular bilateral relations with Western countries fit in the geopolitical constellation of the Cold War at a given moment, thus also determining the margins for manoeuvre of Bulgaria’s economic interests vis-à-vis the bloc’s political pressures.

The comparative study of Bulgaria’s bilateral relations with Denmark and the FRG reveals these margins of manoeuvre in their full range: from an advance unburdened by Soviet scrutiny and party interference where lower-ranking actors of a mind to do business enjoyed initiative, to a precarious venturing into the minefield of the superpower confrontation where economic incentives would time and again clash with ideological allegiance. Being a small state itself, Denmark could offer little benefits to the struggling Bulgarian economy in contrast to the West German economic powerhouse. Bilateral relations with the FRG were not only far more asymmetrical but they were actively shaped by the latter’s ‘policy of using trade as the narrow end of a wedge for opening Eastern Europe to West German influence’.92 Consequentially, Bulgaria’s interaction with the FRG carried much higher political risks than its bridge-building towards Denmark, but its economic incentives were also significantly larger.

In the nascent Bulgarian–Danish relations of the early 1960s, economic cooperation and foreign trade in particular emerged as a safe zone to launch bilateral contacts, contacts driven
by Bulgarian economic interests and enabled by Denmark’s support for détente. Although bilateral trade would remain negligible, its function surpassed economic pragmatism. Trade was instrumental in opening a channel for intergovernmental contacts and keeping it open when conventional diplomacy was hampered as would be the case after the crackdown of Prague Spring in 1968. Conversely, in Bulgaria’s initial opening to the FRG, economic cooperation was inevitably leading the Bulgarian regime to the hotspot of diplomatic normalisation where it would face the opposition of its allies. In its grasping for economic advantages, Bulgaria heavily relied on the West German diplomatic investment in the East-bound trade and its own foreign-trade services were denied much room for action.

The events in 1968 complicated the terrain of East–West cooperation, especially for a smaller socialist state like Bulgaria. After the invasion of Czechoslovakia, the approaches of its foreign services were stalled by both political retaliation from Western countries and ideological caution within the Bulgarian party apparatus. Although the pace of cooperation slowed, the internal bargaining between the party and the state apparatus – accordingly, political dogmatism and economic pragmatism – intensified. Ultimately, economic interests took the upper hand. Albeit with more precarious manoeuvring and less leverage, the Bulgarian foreign services not only regained access to both the Danish and West German governments in the early 1970s, but signed ground-breaking treaties like diplomatic normalisation with the FRG. While the negotiations required much more persistence and adaptations on their side than earlier, the experience of bridge-building and the evidence of the economic benefits of bilateral contacts gained in the past decade certainly increased their readiness for concessions and determination to stretch their room for manoeuvre.

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