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BULGARIA

COMMUNIST PARTY (0600)  
Inner Life (0604)

ADMINISTRATION (0100)  
New Legislation (0102)

STATE APPARATUS (4400)  
Government (4402)

Rumors Circulating In SOFIA

SOURCE TRIESTE: Confidential source.

DATE OF OBSERVATION: July 1953.

EVAL. COMMENT: The reported information is confirmed here. The present regime in Bulgaria has not yet shown any intention of reestablishing private enterprises in Bulgaria.

Rumors regarding the replacement of CHERVENKOV have been circulating for two years, but he is still the boss of the government and Party.

N. NIKOLOV is Bulgarian Minister Plenipotentiary in LONDON.

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According to rumors at present circulating in SOFIA, a new law project is ready for publication. It appears that this project purposes partial re-establishment of private enterprise in Bulgaria, i.e. re-establishment of free artisans' activities. It appears that the publication of this decree is imminent.

The Communists with whom our source had occasion to discuss the above project, justified this new

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measure by saying "kakvo iskate, poniakoga e neobhodimo da se pravi krachka nazad" (sometimes it is necessary to go back one step.)

In connection with this new law project, there are also rumors about new taxes, which will affect, especially the free professions, including the artisans who will be authorized to work on their own. According to rumor, these taxes will be composed of an income tax amounting to 35 per cent, plus a General Income Tax (dank obscht dohod,) which will be established according to the number of workers employed, as far as the artisan enterprises are concerned.

And, last but not least, there are also insistent rumors regarding a change of government to be expected in Bulgaria in the near future. It is supposed that the present president of the council, Valko CHERVENKOV, is going to be replaced by another member of the Politbureau, Georgi CHANKOV, or else by Bulgaria's present Minister Plenipotentiary in LONDON (NU).

End.