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MoneyVarious Exchange Rates For Devaluated Leva.

SOURCE IS ANBUL: A Bulgarian escapee, former deputy, one-time secretary general of the Ministry of the Interior, an editor.

DATE OF OBSERVATION: current period

The recent Bulgarian monetary reform has more than one strange aspect. While until now all previous devaluations in Iron Curtain countries were undertaken at a fixed rate, the present Bulgarian devaluation presents for different rates of exchange.

Individuals with more than 200,000 Leva get one new Leva for each 100 old Leva. Those having less than 200,000 Leva receive two or three new Leva for each old 100 Leva. The fact whether a man is to receive two or three Leva depends on his status with the Communist Party. Party members always receive three Leva and only non-Party 'reactionaries' receive two.

State commercial institutions, such as horemagas, kolkhozes and sovkhoses receive four new Leva for each old 100 Leva. This rate of exchange is to encourage the still large body of landowners to join the kolkhozes and incorporate their properties into the collective farms, in which case they may receive more for their present holdings.

However, it is neither the Bulgarian Party member nor the kolkhoz inmate who has the real advantage over the 'reactionary, capitalist class,' but the Soviet Union. Until the recent devaluation all trade exchange between Bulgaria and the Soviet Union was based on the parity of 10 ruble to 780 Leva. At present, when the official Leva exchange for old Leva is one to a 100, ten rubles would be worth 7.8 Leva. But this is not the case. The Bulgarian Ministry of Finances stated the parity of the ruble to the new Leva to be 17 Leva per ruble. Thus increasing the value of the ruble by over 100 per cent.

EVAL. COMMENT: Information on devaluation rate of exchange is accurate.

According to paragraph 5 of the Currency Reform decree, all cash in possession of Bulgarian citizens, without any exception, will be devaluated as follows:

"The cash at present in circulation should be devaluated on the rate of exchange 100 Leva old currency for one Leva new."

Investments, in accordance to their nature and amount will be devaluated on the rate of 100 Leva old for four, three, two, 1.5 and one Leva new currency.

The rest of the report is correct.