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SECURITY INFORMATION  
CENTRAL INTELLIGENCE AGENCY

REPORT [ ]

50X1-HUM

[ ]

CD NO. --  
OCT-10

50X1-HUM

COUNTRY Bulgaria; Rumania  
SUBJECT Economic - Monetary reform

DATE OF INFORMATION 1952

[ ]

DATE DIST. 18 Jul 1952

50X1-HUM

NO. OF PAGES 2

SUPPLEMENT TO REPORT NO.

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REPERCUSSIONS OF ROMANIAN MONETARY REFORM IN BULGARIA

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The recent Rumanian monetary reform had repercussions in Bulgaria. Although completely unjustified, since there are no longer any "capitalists" in this country, there was considerable unrest among people possessing even small sums of money. The possibility that a similar monetary reform might be instituted in Bulgaria was discussed everywhere.

The feeling that the Bulgarian lev might follow the example of the Rumanian lei, which itself followed the course of the Polish zloty, is given weight by a public notice which appeared in Bucharest. It stated: "The rate of exchange of the lei will be based on that of the Soviet ruble; this means it will be based on the steadiest currency in the world, that of the Soviet Union, rather than on the dollar which is unstable and whose buying power is shrinking daily."

This explanation of the devaluation of the lei suggests the possibility that it was a move pertaining not solely to Rumania, but the forerunner to similar action in the other Soviet Satellites which have not yet adjusted their currency to the ruble standard.

Although there was a monetary reform in Bulgaria in 1947, it was then too soon to adjust the rate of exchange of the lev to the Soviet ruble, which appears to be the intention of the Soviet Bloc.

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A devaluation of the Bulgarian lev is expected by everyone and has caused certain market fluctuations.

The Bulgarian clothing stores which are well stocked, but have had few customers because of their prohibitive prices, have recently had an appreciable increase in turnover. People prefer to buy, even at high prices, rather than lose most of their money through devaluation. State stores are also doing a lively business in miscellaneous items.

There is more buying and selling of small parcels of real estate which were left after the land reform. The buyers are all well-paid Communists who have amassed tidy savings and are afraid of losing them. The individuals most concerned with unloading their supply of leva are the Soviet citizens working in Bulgaria. They wish, at all costs, to escape the consequences of devaluation.

Wives of government officials are the principal purchasers of clothing and shoes. They buy much and indiscriminately.

Following the Soviet buying spree, someone noted, "The devaluation of the Rumanian lei has thrown the Soviets in Bulgaria into a panic." This comment quite properly reflects the effects of the Rumanian monetary reform on the people of a country who are impoverished by a government which rules by hunger.

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