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22Oct95 CUBA: CUBAN PESOS TRADED FOR DLRS ON NEW HAVANA EXCHANGE.
By **Lionel Martin**
HAVANA, Oct 21 (Reuter) - For the first time in more than three decades, foreign currency exchanges are selling dollars for Cuban pesos.
The exchanges, which began operations two months ago, are run by an juridically independent Cuban-owned corporation called CADECA.
During its first seven weeks of operation CADECA only dealt in convertible foreign currencies. The Cuban peso is not convertible on the world money market.
One week ago, without fanfare, CADECA began selling Cuban pesos for hard currency and selling dollars and other convertible currency in exchange for Cuban pesos.
CADECA's operations broke the monopoly on foreign exchange which the National Bank of Cuba (Banco Nacional de Cuba) held since its foundation shortly after the victory of the Cuban revolution in 1959.
While the National Bank of Cuba offers to buy pesos at a rate of one Cuban peso to one dollar, CADECA gives 25 pesos for one dollar.

The National Bank, faced with severe shortages of foreign currency reserves, has never sold hard currency for the non-convertible Cuba pesos.
Trade between Cuba and its Eastern European trading partners was carried out largely on the basis of barter.
Last week, CADECA Exchanges broke new ground by beginning to sell dollars for pesos at a rate of 30 pesos for one U.S dollar.
CADECA's rates are roughly the same as those on the ubiquitous black market.
The rule of thumb in Cuba is that the more dollars one has, the better one can live. In Havana, according to a Cuban official, some 25 percent of city's families have access to dollars which they receive from overseas relatives, tips at tourist centers, profits from self-employed businesses and income from working for foreign enterprises.
Cubans hope that the sale of dollars for pesos at the CADECA exchanges will allow the deprived sectors of the population to obtain at least some dollars with which they can buy such essential items at vegetable oil and soap which are in scarce supply at peso stores.
At CADECA's current rate, the average monthly wage of 300 pesos buys only ten dollars.
A banking spokesman said that the sale of dollars in exchange for Cuban pesos at CADECA is being carried out on an expermental basis.
On Saturday, Prensa Latina quoted National Bank president, Francisco Soberon as saying that "although the effect on the "informal" money market is not immediate, the currency exchanges, whose rates change daily, could have a regulatory impact and prevent massive speculative activities".
Two currencies now circulate legally in Cuba, the local peso and the U.S dollar.
Pesos are the official currency. Wages are paid in pesos and the governments charges pesos for rationed food, electricity, gas, admission fees and services at state-owned stores.
In August 1993 the Cuban government legalized the possession and use of U.S dollars and other hard currency by Cuban citizens. Since then Cubans are allowed to buy at special dollar stores and restaurants which were previously only open to diplomats, foreign residents and tourists.
Cuban stores which sell in pesos have little food, clothing or other goods to sell while the dollar stores have a rich variety of food and consumer items.

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