

Soviet Bloc Economic Activities in Greece

Greek trade with the Soviet Bloc continued to expand in 1957 and reached a level of \$54.6 million as compared with \$41.2 million in the previous year. Exchanges with the Bloc, however, are still a small portion of Greece's foreign trade and in 1957 represented 7 percent of Greece's total commerce. Trade with the USSR, Greece's primary Bloc trading partner, amounted to \$19.6 million in 1957, nearly 40 percent of total Greek-Soviet Bloc trade. Exchanges with the Soviet Union can be expected to increase as the result of a 3-year trade agreement signed in July 1958 which calls for yearly trade increases.

Greek imports from the Bloc rose to \$30.6 million in 1957 from \$21.5 million in 1956 and consisted largely of petroleum products from the USSR and machinery from Czechoslovakia. Larger purchases of tobacco, citrus fruits, olive oil and minerals accounted for the increase in Greek exports to the Bloc in 1957.

The marked increase in trade with the Soviet Bloc is primarily due to Greece's need to find outlets for hard-to-sell agricultural commodities. The Soviet Bloc is an attractive, potential market for these surpluses and is in a position to fulfill some of Greece's primary materials requirements. The Bloc, primarily the USSR, is already supplying a substantial amount of POL products to Greece. In 1957, 17 percent of Greece's POL imports were obtained from the Soviet Bloc, three-fourths of which came from the USSR. The Soviet Union recently offered to barter crude oil for surplus tobacco, a proposal which is especially attractive to Greece in view of its current marketing difficulties. Under a contract signed recently Poland will supply \$1.5 million worth of coal in return for Greek tobacco.

Although economic relations between Greece and the Soviet Bloc continue to be confined mainly to trade, vague offers of economic assistance, generally timed to support Soviet propaganda maneuvers, periodically emanate from the Soviet Union. Greece has shown only limited receptivity to these overtures.