

USSR-LEBANON

SOVIET-LEBANESE TRADE
ACCORD SIGNED.

SOURCE ATHENS: Greek-Rumanian exile in BEIRUT.

DATE OF OBSERVATION: May 1954.

EVAL.COMMENT: The political aspects of this trade agreement ought not to have caused much surprise in Lebanon, since the current Soviet trade drive, as well as all other external efforts of the USSR, are first of all of a political nature. Incidentally, the fact that Lebanon expects to re-export some non-indigenous merchandise is matched by the Soviets: several of the items offered by them are probably of East German manufacture.

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Lebanese commercial circles consider the Soviet-Lebanese trade accord, which was signed in BEIRUT on 30 April, as a "psychological blow" at the Western powers, according to a Greek-Rumanian source in the Lebanese capital. The agreement provides for the exchange between the two nations of products to a total value of 20 million Lebanese pounds; our source pointed out that the political motivation of the accord becomes apparent upon even a cursory examination of the tables of commodities to be exchanged, which are as follows:

Soviet products to be exported to the Lebanon:

Machinery and industrial equipment, electrical equipment of all kinds, passenger automobiles and motor trucks, motorcycles, bicycles, motors and electric generators, tractors and agricultural machinery, sewing machines, precision instruments, photographic and cinematographic apparatus, musical instruments, chemical products, inks and paints, plastic products, medicines and pharmaceutical products, glass and ceramic wares, furs, alcoholic drinks, seeds, salted fish, canned fish and lobsters, asbestos, newsprint, movie films, books and publications, radios.

Lebanese products to be exported to the USSR:

Citrus fruits, bananas, apples, dried fruits, olive oil, vegetable oil, oil-cake, leaf tobacco, wool, textiles, sole leather, raw hides.

(Over)

Our source said that Lebanese businessmen with whom he discussed the agreement noted with surprise that the Lebanon contracts under the agreement to export to the Soviet Union products which it imports from other countries, such as leaf tobacco (from Greece and Turkey), textiles (from France, Britain and Italy), leather and raw hides (from France and Turkey.)

On the other hand, the Soviet commitment to export medicines and pharmaceutical products to the Lebanon was characterized by our source's commercial contacts as "ridiculous" -- in view of the eagerness of Soviet and satellite agents to buy up all the western-manufactured drugs they can find in the BEIRUT free zone. Our source said that his contacts believe that it is obvious that the chief purpose of the trade accord is to weaken the Lebanon's bonds with the West -- and to supply the Soviet Legation in BEIRUT with local currency with which to finance its propaganda activity.

The accord was signed with much ceremony at the Lebanese Ministry of Foreign Affairs. Foreign Minister Alfred NACCACHE signed on behalf of the Lebanon and Soviet Minister Vassili BELAYAEV on behalf of the USSR. Both made speeches, the gist of which was that the trade treaty would "open up a fruitful era of collaboration" between the two countries. Our source cited an interesting detail for which there was no immediate explanation: the "clearing" of payments incident to the treaty will be handled for the Lebanon by La Compagnie Algerienne, the Bank of Syria and the Lebanon having refused to assume the responsibility. The reason for the bank's refusal was not disclosed.

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