

We have started to expand the diplomatic representation in Eastern Europe first established during and shortly after the Second World War. Under an agreement in 1964 with Hungary concerning diplomatic relations and other matters, a Hungarian mission was opened in Ottawa and our Ambassador in Prague was accredited in Budapest. We hope to establish a resident mission there before too long.

Negotiations with Roumania and Bulgaria are under way which are likely to lead, in due course, to the exchange of diplomatic missions. This morning I had talks at the United Nations with the Roumanian Foreign Minister.

In the field of trade, more favourable political conditions in 1963 coincided with a period of agricultural failure in the Soviet Union. Wheat sales have always been an important part of Canadian commercial relations with Eastern Europe, but the years since 1963 have marked the first really big rise in our exports, chiefly because of Soviet purchases.

Since 1963, the Soviet Union has purchased wheat valued at approximately \$1 billion. A new three-year contract, worth approximately \$800 million, was signed this summer, the largest three-year commercial contract for a fixed quantity of Canadian wheat and flour ever concluded.

This contract, and the general Trade Agreement renewed this summer, mark important steps in Canadian Soviet relations. There are indications of continuing markets for wheat even in normal years and sales of industrial products and technology might be possible.

In the field of communications, closely related to trade and general contacts, it is important to note that the first air-transport agreement between Canada and the Soviet Union, establishing service between Montreal and Moscow, was signed this summer. The first direct passenger-liner service has just been established between the ports of Leningrad and Montreal.

Both these services have been established shortly before the opening of Expo '67 in Montreal, in which the Soviet Union, Czechoslovakia and Yugoslavia will be represented. One can appreciate, therefore, the cumulative effect of these developments in increasing contacts. Exchanges with East European countries in scientific, technological, cultural and informational fields, have generally been increasing. It is important to bear in mind that, because of geography and climate, Canada and the Soviet Union have a common interest in certain technological problems.

Finally, in this enumeration of the facts of our relations with the Eastern European nations, I would point to the exchanges of parliamentary delegations which have taken place in the past few years between Canada on the one hand and the Soviet Union, Poland, Czechoslovakia and Yugoslavia on the other. In addition to the normal diplomatic contacts in various capitals and in international gatherings, these exchanges have a genuine political value.

This summer, a delegation of the Supreme Soviet visited Canada. Its leader was Dmitri Polyansky, one of the two First Deputy Chairmen of the Council of Ministers and an important member of the Political Bureau of the Central Committee of the Communist Party.