

party took over the governments of those two countries, but the treaties remained after the governments became communist. No special difficulties have been found in the application of the treaties since that time and they have, I think, been of value to our country. There are a good many trade agreements of this type between the Soviet Union and Western countries, including the United Kingdom, France, Italy, Austria and the Scandinavian countries. It is true there is no such agreement between the United States of America and the U.S.S.R. but hon. members will know, of course, that the administration in Washington is now seeking congressional authority to dispose of surplus agricultural products to the Soviet Union.

Agreement Advantageous to Canada

I think it will be agreed that this agreement is advantageous to our country in the field of trade and commerce. I think it will also be agreed that no wider Canadian interests, political or economic, are likely to be jeopardized in any way by it. It certainly does not make us unduly dependent, for instance, on the Soviet Union as a market for our wheat. Desirable as it is to find markets wherever we can it would, I think, create some uneasiness if this particular market were too large in relation to our total sales, but there is certainly no danger of that happening under this agreement. As hon. members know, the commitment in any one year will amount to between 15 million and 18 million bushels of wheat, which is comparable to our exports to Belgium or to the Federal Republic of Germany, and compares with a figure for last year of 31 million bushels to Japan.

During the course of the discussion the question has been asked, what commodities are we likely to receive from Russia as a result of the trade which we hope will develop between the two countries? That, of course, is a very difficult, indeed an impossible question to answer, especially in the case of trade between two countries in one of which trade is conducted under our system of individual enterprise and free initiative and in the other by a state trading organization. But, as has already been pointed out, production is developing, production is growing in the Soviet Union, and it may well be that during the course of the agreement it will be possible for the initiative of Canadian traders to express itself in the development of trade, including imports from Russia, which will be of benefit to this country. I myself have no idea in what direction that trade will move but it is, I think, certainly safe to say that we are beginning a new era of trade development with a country which is already showing increasing strength both in the field of industry and in the field of agriculture.

Productive Capacity Greater

While it is perfectly true, as my colleague the Minister of Fisheries has pointed out, that under our system of free enterprise and initiative our per capita production capacity is much greater than that of the inhabitants of the Soviet Union or, indeed, of other communist states because of the nature of our social and economic organization, nevertheless while that may be true per capita the figures for production in the Soviet Union in recent years and the planned figures for the next five years are very impressive indeed. In this connection may I quote some remarks made by the president of the Massey-Harris Company who visited the Soviet Union last year, as members know, and who has made some very interesting reports on his visit since his return. In a speech in Ottawa not many weeks ago he said:

"Agriculture is one of the weakest spots of the Russian economy. The process of regimenting the peasant, dispersed as he is over large areas,